



State of Indiana 2018-2019 Qualified Allocation Plan

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This plan constitutes the Qualified Allocation Plan ("QAP") for the State of Indiana (the "State"), and is intended to comply with the requirements set forth in Section 42 of the Internal Revenue Code of 1986, as amended, including all applicable rules and regulations promulgated thereunder (collectively, the "Code"). As used herein, "Applicant" shall include any owner, principal and participant, including any affiliates.

This QAP applies to all allocations of rental housing tax credits ("RHTCs") pursuant to Section 42 of the Code, multifamily private activity tax-exempt bonds ("Bonds"), Indiana Affordable Housing and Community Development Fund ("Development Fund"), and HOME Investment Partnership funds ("HOME") in conjunction with RHTCs (collectively "Rental Housing Financing Programs") made in calendar year 2018 or 2019 and sets forth: (A) the role of the Indiana Housing and Community Development Authority ("Authority" or "IHCDA") in administering the Rental Housing Financing Programs; (B) housing goals of the Authority based on the perceived needs throughout the State; (C) Guidelines for Developments receiving RHTCs in conjunction with Private Activity Tax-Exempt Bond Financing; (D) "set aside" categories established by the Authority pursuant to the Code and Indiana law to further the accomplishment of the State's housing goals; (E) minimum threshold requirements which all Applicants and housing Developments must satisfy in order to be considered by the Authority for Rental Housing Financing; and (F) evaluation factors which the Authority will consider in analyzing each application that satisfies all applicable minimum requirements.



A. Role of the Authority

The Authority is empowered to act as the housing credit agency for the State of Indiana to administer, operate and manage the allocation of RHTCs, also known as the Low-Income Housing Tax Credit program, pursuant to Section 42 of the Code and this Allocation Plan.

The actions, determinations, decisions or other rulings made by the Authority pursuant to this Allocation Plan shall not be construed to be a representation or warranty by the Authority as to a Development's compliance with applicable legal requirements, the feasibility or viability of any Development or of any other matter whatsoever, and no action of the Authority shall be relied upon by any person as a representation or warranty by the Authority in connection therewith.

The Authority reserves the right to resolve all conflicts, inconsistencies or ambiguities, if any, in this Allocation Plan or which may arise in administering, operating or managing the allocation of Rental Housing Financing Programs. The Authority in its sole discretion reserves the right to, and may from time to time, amend this Allocation Plan, pursuant to the Code, for any reason, including to assure compliance with applicable federal, State or local law and regulations thereunder which may be amended and/or enacted and promulgated, to reflect changes in market conditions from time to time, and/or to terminate the Program.

The Authority reserves the right to allocate resources to lower ranked proposals to achieve a better mix of resource usage or better geographical distribution of resources as described above, or for any other reason judged by the Authority to be meritorious. Such actions will be made at the Authority's sole and absolute discretion. Any decision the Authority makes, and any action or inaction by the Authority in administering, managing, and operating the system, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise.

B. Authority's Housing Goals

The selection criteria set forth in this Allocation Plan include, in part, consideration of: (1) Development location; (2) housing needs characteristics; (3) Development characteristics, including whether the Development uses existing housing as part of a community revitalization plan; (4) sponsor characteristics; (5) tenant population with special housing needs; (6) the existence of a public housing waiting list; (7) tenant populations of individuals with children; (8) Developments intended for eventual tenant ownership; and (9) Permanent Supportive Housing.

This Allocation Plan:

1. Has been established by the Authority utilizing the selection criteria required by the Code in determining housing priorities of the Authority, which are appropriate to local conditions;
2. Gives preference in allocating Rental Housing Financing among selected Developments that meet the Authority's Housing Goals.



3. Provides procedures that the Authority (or an agent or other private contractor of the Authority) will follow in monitoring for compliance with the provisions of the Code notifying the Internal Revenue Service of any noncompliance of which the Authority becomes aware, and in monitoring for compliance with habitability standards through regular site visits.

The Authority's goals are to support and encourage Developments that:

- Serve the lowest income tenants, with set-aside units for tenants at or below 30% of the area median income rent levels, and provide documentation of financial and supportive capacity, in the opinion of the Authority, to make the Development financially viable for the compliance period;
- Minimize displacement of existing tenants;
- Are an important part of a broader or comprehensive neighborhood improvement, and which have the capability of fundamentally changing the character of a neighborhood through measurable community impact;
- Substantially upgrade and preserve existing low income housing and are a part of a published community revitalization plan;
- Are obligated to serve tenant populations with special housing needs;
- Minimize possible negative impact on existing affordable housing units in an area;
- Increase the supply of Supportive Housing for persons experiencing homelessness and of integrated housing options for persons with disabilities through community-based partnerships.

C. Housing Priorities

After considering the housing needs identified, the Authority has established certain housing priorities for the allocation of RHTCs to better enable the Authority to achieve its housing goals. In connection therewith, and in accordance with the agency mission, the Authority seeks to encourage and promote:

Housing for Vulnerable Populations

IHCDA strives to create housing opportunities for vulnerable populations, including those individuals considered as a "special needs population" under Indiana Code (IC 5-20-1-4.5) as well as households with extremely low-incomes. Categories of special needs populations are discussed in the threshold section.

Part of this effort is to support activities that promote "aging in place." Aging in place refers to creating a living environment that is safe, adaptable and comfortable for persons of all ages and abilities. While the primary target populations for aging in place strategies are seniors and persons with disabilities, everyone benefits from buildings and communities that are accessible, visitable, and livable.



Another important aspect of IHCD's work to provide housing opportunities for vulnerable populations is our commitment to permanent supportive housing. Merely managing homelessness is not a long term solution. IHCD and its partners are focused on systematically preventing and ending homelessness for those most vulnerable in our communities. By identifying barriers to self-sufficiency and targeting the most appropriate housing solution, we can help to minimize the number of people that enter the homelessness delivery system and the duration of time they spend in it. For the chronically homeless--those who cycle through health care institutions and correctional facilities seeking services and shelter--we can link services with housing to provide stability for them and reduce the burden on other community systems. Ultimately, our collective goal is to ensure that everyone has a place to call home.

Enhance Self-Sufficiency in Existing Programs

Good affordable housing development focuses not only on the physical building, but also on enriching the lives of the future residents. IHCD believes that the RHTC program can be a catalyst to enhance the self-sufficiency of individuals and families with low incomes. To that end, the QAP promotes developments that focus on tenant investment and enrichment through services, unique development features, and access to neighborhood amenities and opportunities, including but not limited to, jobs, education, and healthcare.

Promote Place-Based Initiatives

IHCD seeks to promote developments that build upon a community's existing assets, take advantage of its available resources, promote quality of life, and fit into the community's overall plan.

While the opportunities and challenges may vary, every community should strive to be a place where people choose to live, work, and play. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. A community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

D. Private Activity Tax-Exempt Bond Financing

Pursuant to the Code, Developments that do not receive a direct allocation from the Authority because such Developments qualify for the four (4%) percent RHTCs under the Code, must nevertheless satisfy and comply with all requirements for an allocation under this Allocation Plan and the Code. See Schedule D - Private Activity Tax-Exempt Bond Requirements.

Applicants requesting to have the Authority act as the Issuer for the Tax-Exempt Bond Financing must meet all requirements under the Allocation Plan, Code and Schedule D.



E. Set Aside Categories

The Authority believes it can best achieve its housing goals by establishing set aside categories based on: (i) development by qualified not-for-profit organizations; (ii) Stellar Community Designation; (iii) Developments that serve persons with intellectual and developmental disabilities in an integrated housing setting; (iv) Development location; (v) Preservation; (vi) Developments that address the need for workforce housing; and (vii) Developments that utilize the Housing First model of supportive housing to end homelessness.

More than one (1) set aside category may be addressed by a Development, depending upon the location, characteristics and whether the owner is a qualified not-for-profit organization. However, a Development may only compete in one (1) Development Location set aside.

Note: There are no set aside categories for Bond financed Developments.

The Authority's "housing tax credit ceiling" for allocation in any one year is determined by the sum of the following components:

1. Per Capita Credits – determined by the State's population.
2. Carry Forward Credits – unused credits in any one year will be carried forward for allocation in the succeeding year.
3. Returned Credits – credits that are returned from developments that received an allocation in previous years will be re-allocated.
4. National Pool - if the Authority is able to allocate the tax credits to a de minimus amount in any one year, the State is then eligible to receive additional credits from a pool of credits returned unused by other states.

The set aside categories, their respective requirements and amount of the annual RHTCs allocated are described below. The Authority may exceed the amount of credits reserved per set-aside as identified below in order to completely fund a development request.

% of Available RHTCs	Set Aside Category
10%	Qualified Not-for-profit
10%	Stellar Community Designation
10%	Community Integration
10%	Large City
10%	Small City
10%	Rural



10%	Preservation
10%	Workforce Housing
10%	Housing First
10%	General

1. Qualified Not-for-profit

10% of available annual RHTCs will be set aside for Developments in which the "qualified not-for-profit organization" owns 100% of the general partner interest, receives at least 25% of the developer fee (if any developer fee is deferred, the for-profit's and not-for-profit's deferral must be proportionate to the amount of developer fee they are to receive), and materially participates in its operations, as such terms are defined in and pursuant to Section 42 of the Code and this Allocation Plan. [Note: 100% general partner ownership interest is only required by a qualified not-for profit for consideration in this set-aside and does not preclude joint ventures in any other set-aside].

Qualified Not-for-profit Organization Requirements:

A not-for-profit organization shall not constitute a "qualified not-for-profit organization" if the not-for-profit organization is affiliated with or is controlled by a for profit organization. To constitute a qualified not-for-profit organization throughout the compliance period: (i) one of the not-for-profit organization's exempt purposes must include the fostering of low-income housing, (ii) the not-for-profit organization must own 100% of the general partner interest in the Development, (iii) the not-for-profit organization must materially participate* in the development and operation of the Development, (iv) the not-for-profit organization must comply with all other Sections of the Code applicable to not-for-profit organizations, and (v) has no part of its net earnings to the benefit of any member, founder, contributor, or individual. The not-for-profit must have been in existence at least one year prior to the date of application, with affordable housing as one of its primary goals.

*A nonprofit entity is considered to be materially participating "where it is regularly, continuously, and substantially involved in providing services integral to the development and operation of a project." For more information, see Internal Revenue Code Section 469(h), Chapter 6 of the IRS *Low-Income Housing Credit Audit Technique Guide*, and Part 2.3B of the Compliance Manual.

Projects competing in this set-aside but funded under a different set-aside will still be subject to the set-aside requirements. This will be reflected on the Reservation Letter and Form 8609, and the development will be subject to the material participation requirements.

Required Documentation: At the time of application, Articles of Incorporation or its formation documents for the not-for-profit, IRS documentation of tax-exempt status (e.g. §501(c)(3)), and a



complete signed original Not-for-Profit Questionnaire (Form B) with required attachments must be submitted by the Applicant and placed in Tab C.

2. Stellar Community Designation

10% of available annual RHTCs will be set aside for Developments that, through their formation, are part of a designated Indiana Stellar Community. Indiana's Stellar Communities Program is a collaborative effort of multiple State partners seeking to engage two communities to achieve a three-year revitalization strategy. In the revitalization strategy communities identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community.

In order to compete under this set-aside, the following conditions must be met:

- The community must have an active Stellar Community Designation. Communities that were named finalists but not chosen are not eligible under this set aside.
- The proposed Development must be specifically identified as part of their three-year Stellar Community Strategic Investment Plan, which will identify capital and quality of life projects to be completed during that period.

3. Community Integration

10% of available annual RHTCs will be set aside for Developments that commit to serving individuals with intellectual or developmental disabilities by providing affordable housing in an integrated setting.

To be eligible for the Community Integration set-aside, Developments must reserve 20-25% of the total development units for households in which at least one member is a person with an intellectual or developmental disability. In order to create integrated housing settings and discourage segregation based on disability, the amount of units reserved for this population cannot exceed 25% of the total development units. In addition, the units must be spread throughout the property and cannot be clustered into a separate designated area.

All units set aside for persons with intellectual or developmental disabilities under the Community Integration set-aside must be rent-restricted at the applicable 30% rent limit. The 30% requirement applies specifically to the rent limits, not necessarily to the income limits. All income limits for the development may still be set at the federal minimum set-aside level (50% or 60% AMI) if elected on the application.

The following documentation must be submitted to be considered under this set-aside:



- Form A must identify the percent of units designated for occupancy by the target population (minimum 20%, maximum 25%); and
- Narrative must describe how the development will seek input from persons with disabilities and provide a housing setting that assists in integrating persons with intellectual and developmental disabilities into the community. Narrative must include a description of how residents will access necessary supportive services, which may include transportation options; and
- Copy of an executed Memorandum of Understanding with appropriate state or local entities which may include a disability organization or non-profit service provider that serves persons with intellectual or developmental disabilities. The identified entity must agree to refer clients to the housing units and to help connect residents with appropriate supportive services. A referral from the identified entity will serve as documentation that the individual has a qualifying disability and property management will not inquire further into the nature of the disability during the application process and tenant screening. In addition to these referrals, individuals with a Home and Community Based Service Waiver through the Indiana Division of Disability and Rehabilitative Services are also eligible for the units and waiver status shall be deemed proof of eligibility. Applicants who were not referred by the identified entity and who do not have a Home and Community Based Service Waiver may still qualify for a designated unit if they provide third-party verification demonstrating an intellectual or developmental disability. This verification must follow the Fair Housing Act requirements for verification of disability and cannot inquire into the nature of the disability. For additional information, see the RHTC Compliance Manual or talk to an IHEDA Compliance Auditor.

4. Development Location

All Applications for RHTCs will compete in only one Development Location set aside defined below. If the application consists of sites in multiple locations that encompass different set-asides, the development will compete in the set-aside that has the most units (or residential square footage if unit counts are equal).

- a. 10% of available annual RHTCs will be set aside for Developments located within a Large City. For purposes of this set aside Large City is defined as a city with a population of 75,000 or more (See Appendix C). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).
- b. 10% of available annual RHTCs will be set aside for Developments located within a Small City. For purposes of this set aside Small City is defined as a city with a population of 15,000 – 74,999 (See Appendix D). The Development must be located within one mile of the zoning jurisdiction and/or use city utility services (water and sewer).



- c. 10% of available annual RHTCs will be set aside for Developments located in areas designated as "Rural," where the Development's location meets one of the following:
 - 1. The Development is located within the corporate limits of a City or Town with a population of 14,999 or less; or
 - 2. The Development is located in an unincorporated area of a county that does not contain a City or Town that meets the definition of Large City or Small City as set forth in the QAP; or
 - 3. The Development is located in an unincorporated area of a county whereas;
 - i. The Development is outside the 2-mile jurisdiction of either a Large City or Small City as defined in the QAP; and
 - ii. The Development does not have access to public water or public sewer from either the Large City or Small City as defined in the QAP.

If any part of the State of Indiana is officially declared a disaster area by the Governor, the Authority may give preference to Developments in this area which will assist in providing affordable housing to people affected by the disaster. In order to be considered for this priority the Development must provide the following information in Tab A:

- 1) Documentation that the Development has been officially declared a disaster area by the Governor.
- 2) A narrative description of how the proposed Development will help the area and the individuals affected by the disaster.

5. Preservation of Existing Federally Assisted Affordable Housing

10% of available annual RHTCs will be set aside for Developments which involve the substantial rehabilitation (as outlined in the property's Capital Needs Assessment – See Schedule F) of existing federally assisted affordable housing, and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

- a. Developments that propose the preservation of HUD or USDA affordable housing; Rental Housing RHTC Developments with Compliance Periods that have expired or are expiring in the current year and the extended use agreement is still in place;
- b. Federally assisted developments which entail demolition and decentralization of units with replacement of units on the same site as described above.



- c. Rehabilitation hard costs must be in excess of \$30,000 per unit to be considered in this category.
- d. For Developments competing in all other set-asides, rehabilitation hard costs must be in excess of \$20,000 per unit.

To be eligible for the set-aside when a project contains multiple building and construction types, at least 50% of the units must qualify as preservation units.

The cost of furniture, construction of community buildings and common area amenities are not included in the minimum per unit amount. The applicant must provide a hard cost budget separating out the cost for furniture, construction of community buildings and common area amenities. USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Place in Tab L.

6. Workforce Housing

10% of available annual RHTCs will be set aside for Developments that address the need for workforce housing. To qualify, the development must be located in a county that has a combined ranking in the top 10% of the State for 1) Economic Well-Being and 2) Employment and Productivity, as reported on Stats America Innovation 2.0 (www.statsamerica.org/ii2).

Below is the list of the nine (9) qualifying counties for 2018 allocations, listed in alphabetical order. IHEDA will issue a RED Notice identifying the qualifications for the 2019 Workforce Housing set-aside and reserves the right to utilize a different dataset if deemed appropriate:

- Bartholomew
- Daviess
- Gibson
- Hamilton
- Hancock
- Hendricks
- Warren
- Warrick
- Whitley

Developments competing in this set-aside cannot be age-restricted and must be comprised solely of units with 60% rents and income limits or a combination of 60% and market rate units.

7. Housing First – Supportive Housing

10% of available annual RHTCs will be set aside for Supportive Housing Developments that further the creation of community-based housing that targets persons experiencing homelessness with intensive service programs that have a direct impact on reducing homelessness through the Housing First model. Housing First is an innovative approach to engage and rapidly house individuals who are homeless into supportive housing and to provide intensive and flexible services to stabilize and



support housing tenure. Eligible applicants must properly demonstrate participation in the Indiana Supportive Housing Institute (“The Institute”) as described in Part (h) below.

Key principles of the Housing First model of supportive housing which must be addressed in the Development include:

- Changing the system, not the person: the major shift of this model is how services are provided. In many cases, services are offered on-site rather than expecting individuals to show up at an agency for services. Staff are constantly working to engage residents and are trained in evidence based practices, such as assertive community treatment, that have been shown to be effective for hard to serve populations.
- Tenant choice on accepting services: Services need to be readily available with staff continually working to engage and build relationships with the tenants. Participation in services is not required in order to remain housed. A harm reduction approach is used in addressing chronic substance addiction and motivational interviewing techniques are used to engage tenants.
- Focus is on being a good tenant: The main emphasis is on safety with interventions on behaviors that negatively impact an individual or the community. Skills such as managing finances, handling conflicts with other tenants, and managing the day-to-day responsibilities in apartments are essential for long-term tenancy.
- Eviction is a last resort: Property management staff work collaboratively with supportive service providers and the tenant to implement eviction prevention practices. This process should involve service rich interventions to attempt to exhaust all other solutions prior to serving a tenant an eviction notice.
- Strength-based model with emphasis on building community: A strength based approach emphasizes a person’s strengths and the role of self-determination. This is a tenant led process with a focus on future outcomes and the many talents and strengths that a person can employ to achieve desired outcomes.

Developments using a Housing First model of Supportive Housing must submit plans that provide the following:

- a. Minimum Units – To compete in the Housing First set-aside, 100% of the units in the development must be committed as supportive housing. Developments proposing to have only a portion of the units as supportive housing (i.e. “integrated supportive housing”) are not eligible in the set-aside but are given special consideration during scoring evaluation. See Evaluation Factors Part 5(e).
- b. Target Population –The development must serve persons experiencing homelessness who are identified as most vulnerable, are using costly public systems, and are most in need of supportive housing. The identification and assessment of the target population must be data



driven. The Institute RFP released each year will define the target populations that participating teams may choose to target. Each team participating in the Institute must develop a concept that serves one of the allowable target populations.

- c. Site Suitability – How the development will meet the needs of the targeted population including accessibility features, access to transportation, and proximity to community amenities.
- d. Affordability – How the development will make units affordable to the targeted populations.
- e. Access to Services – How an array of services, including those aimed at tenant retention, will be made available both on and off-site for tenants to access according to their needs, including a budget for services and funding sources that have been secured or will be sought.
- f. Referral, Screening, and Communication
 - 1) Tenant referral must be based on the local Continuum of Care Coordinated Entry system.
 - 2) Property management must adopt a screening process that ensures supportive housing is accessible to the target population. The tenant selection plan must be written specific to supportive housing principles, may not screen out individuals based on credit history or previous landlord history, and must implement criminal background screening procedures that reduce barriers to obtaining housing.
 - 3) How the property management and the agency providing the on-site or 24/7 accessible support coordination will communicate, accommodate staff turnover and assure continuing linkages between the Development and the agency providing the on-site support coordination for the duration of the compliance period.
- g. Agreement Among All Parties
 - 1) Demonstrate collaboration between property management and supportive service staff to ensure the housing stability of all tenants. The roles of property management and supportive service staff should be properly delineated to define the different role of each organization/staff.

h. Demonstration of Participation

Developments that compete under the Housing First set-aside must demonstrate meaningful and successful participation in the Institute. The Institute provides training and support to organizations applying for RHTC under this set-aside. Initial drafts of tenant outreach and engagement strategies, tenant selection policies, property management plans, and service plans must be completed as part of the Institute process and prior to submission of an RHTC



application under the Housing First Set-aside. Participation in the Institute is based on a competitive RFP selection process. Applicants for credits must successfully fulfill all requirements of the Institute for the specific development for which they are applying.

*NOTE: If a development team is accepted into an Institute (1) under an Institute RFP that is designated for non-RHTC funded projects or (2) under a proposal for a non-RHTC funded project, then that team's development is not eligible under the Housing First Set-aside of the QAP.

i. Special Threshold Considerations

Developments that compete under the Housing First set-aside are subject to additional threshold requirements. See Section F 4(2)(q)(12) of the QAP.

8. IHEDA General

- a. 10% of available annual RHTCs will be set aside for Developments that further the Authority's mission, goals, initiatives, and priorities irrespective of the ranking by the evaluation factors. The Authority will exercise its sole discretion in the allocation of the IHEDA General set-aside. A notice will be released each year with the timeline and requirements for competing in the set aside.

The Authority intends to make every effort to satisfy the requirements of such set-aside categories in one (1) application and reservation cycle. If such set-aside categories are not completed through one (1) application and reservation cycle for the applicable year, the Authority may allocate any RHTCs remaining available for allocation without regard to these set aside categories, so long as such allocation is made in accordance with the Code and the applicable requirements of the law of the State and the goals of this Allocation Plan; notwithstanding the foregoing to the contrary, upon completion of the scheduled reservation cycle (i.e., at such time as all or substantially all RHTCs available for allocation in a calendar year have been allocated, other than de minimus amounts of RHTCs not reasonably susceptible to allocation to a Development) the Authority, in its discretion, may hold another application and reservation cycle. If another application and reservation cycle will be held, the Authority will provide an announcement thereof. Provided, that: (i) the Authority may, in its sole discretion, elect in any reservation cycle not to allocate RHTCs to a Development that might otherwise qualify for an allocation.

Notwithstanding the point ranking system set forth in this Plan, the Authority reserves the right and shall have the power to allocate Rental Housing Financing to a Development irrespective of its point ranking, if such intended allocation is: (1) in compliance with Section 42 of the Code; (2) in furtherance of the Housing Goals stated herein; and (3) determined to be in the interests of the citizens of the State of Indiana. Additionally, the Authority will provide a written explanation to the general public for



any allocation of RHTCs, which is not made in accordance with the established goals, priorities, and selection criteria in this Allocation Plan.

F. Threshold Requirements

Each Development applying for an allocation of Rental Housing Financing must satisfy the requirements of the Code, such additional requirements established by the Authority as set forth in this Allocation Plan, and any additional requirements relating to the continued compliance of the Development after an allocation of RHTC by the Authority. All material used in the Development must be new and of high quality, and all work must be performed in a good and workmanlike manner.

1. Federal Threshold Requirements

Each Development shall satisfy all requirements of Section 42 of the Code and such additional provisions of the Code and other federal laws applicable to each Development throughout the required compliance period and/or other applicable period. These requirements include, without limitation:

a. Development Feasibility

Amounts allocated pursuant to this Allocation Plan may not exceed an amount, which the Authority, in its sole discretion, determines is necessary for the financial feasibility of a Development and its viability as a qualified low-income housing Development throughout the Compliance Period. In making this determination, the Authority shall consider: (i) the sources and uses of funds and the total financing planned for the Development; (ii) any proceeds or receipts expected to be generated by reason of tax benefits; (iii) the percentage of the RHTCs used or to be used for Development costs other than the cost of intermediaries, unless such consideration would impede the process of developing in hard-to-develop areas; (iv) the reasonableness of the developmental and operational costs of the Development; (v) the developmental and/or operational costs of the Development as compared to similar costs of other Applicants; and (vi) such other factors it may consider applicable.

The Authority may establish such criteria and assumptions it deems reasonable for the purposes of its determination, including, without limitation, criteria as to the reasonableness of fees, profits, and assumptions as to projected occupancy, the amount of net syndication proceeds to be received, and increases in operating expenses and rental income. Any determination and/or allocation of Rental Housing Financing by the Authority shall not be construed to be a representation or warranty by the Authority as to the feasibility or viability of any Development.

Pursuant to the Code, the foregoing determination shall be made at: (a) the time of application for the Rental Housing Financing; (b) the time of allocation of the RHTC equity amount; (c) anytime there is a material change to the application and/or Development; and (d) the date the



building is placed in service or at time of final application (but prior to the issuance of IRS Form 8609).

Required Documentation: The Application (Form A) and any additional documentation regarding the financial feasibility of the Development. Additional documentation may include third-party documentation of sources, costs, and uses of funds that the Applicant may find necessary to include with the Application will be considered along with other such documentation the Authority may consider applicable. Additionally, if the Development is proposing commercial space as part of the tax credit ownership, the following proformas must be submitted: (i) a 15-year proforma showing only the commercial portion of the Development; (ii) a 15-year proforma showing only the housing portion of the Development; and (iii) a 15-year proforma showing the housing portion and the commercial portion of the Development combined. Place in Tab A.

b. IHCD Notification

At least 30 days, but no more than 60 days, prior to application submittal, the Applicant must submit Form C to notify IHCD of their intent to submit an application. The Applicant must electronically submit Form C to IHCD via: RHTC@ihcda.in.gov.

c. Not-For-Profit Participation

A not-for-profit competing for Rental Housing Tax Credits that has an ownership interest in the proposed Development (even if not competing in the Not-for-profit set-aside) must submit to IHCD at the time of application a resolution from its Board of Directors that includes language that approves: 1) the application being made for specific Rental Housing Funding (i.e. private activity tax-exempt bonds, RHTC, HOME, Development Fund, etc.); 2) the amount of ownership interest the not-for-profit has in the venture; 3) the anticipated amount of Developer Fee the not-for-profit will receive; and 4) if applicable, acknowledgment of a deferred developer fee.

Required Documentation:

1. Resolution signed by the not-for-profit's Board of Directors must be placed in Tab C. If the document is approved during a Board of Directors meeting, a quorum should pass and sign the resolution and such resolution shall be incorporated into the Minutes of the meeting.
2. All not-for-profits with 100% ownership of the General Partner that wish to compete in the Not-for-profit set-aside must submit a signed Not-for-profit Questionnaire with required attachments (Form B) and be placed in Tab C.

d. Market Study

See Schedule C - Market Study Requirements. A Comprehensive market study must be prepared at the developer's expense by a disinterested third-party from the approved Indiana Market



Study Analyst list (The approved list of market study analysts can be found under “Schedules” on IHCD’s website). Sufficient demand in the market area of the Development must exist and, based on reasonable predictions, will continue to exist during the term of the Compliance Period or other applicable period, for the number of units to be developed.

IHCDA reserves the right to accept or decline the corresponding tax credit application from further review based on the market analysis.

Required Documentation: A comprehensive market study of the housing needs of low-income individuals in the area to be served by the Development, satisfactory to the Authority, must be performed and submitted to IHCD with the application submittal. The market study must be no more than six (6) months old at the time of submission to IHCD. Place in Tab N.

2. Additional Threshold Requirements of the Authority

All information submitted to the Authority pursuant to this Allocation Plan must be satisfactory to the Authority in its sole and absolute discretion. If the Authority requests additional information from an Applicant, such information must promptly be submitted within timeline(s) determined by the Authority. **Additionally, all documentation (e.g. certifications, letters, etc.) must be issued/dated within six (6) months prior to the Application deadline date, unless otherwise noted.** This does not apply to site control documentation as long as the expiration date is after the anticipated reservation date.

IHCDA, in its sole discretion, will consider a waiver request from any Applicant, Owner and/or Developer in regards to any of the Additional Threshold Requirements, User Eligibility and Limitations, and Minimum Development Standards of the Authority (IHCDA does not accept waiver requests for scoring items). The Authority must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include 1) the details of the specific Threshold requirement for which the Development is requesting a waiver, 2) a detailed description as to why the Development cannot meet the Threshold requirement, 3) any additional information the Applicant would like IHCD to consider with the request, and 4) payment of the \$500 waiver request fee for each Threshold item requested to be waived. IHCD will provide a written response to the request within 20 days of receiving the waiver request.

For a Development to be evaluated for an allocation of RHTCs, each of the following requirements must also be satisfied:

- a. The Authority will not consider or review more than one Application for the same Development or for substantially the same or similar costs submitted by a related Applicant with respect to a particular reservation and application cycle. Submission of more than one Application shall cause the cancellation of any pending Application earlier awarded. Requests for supplemental RHTCs will only be permitted after all qualified Developments have been funded. The Authority



will notify the public if RHTCs are available for supplemental funding. However, supplemental RHTCs will only be considered for allocations made in the same year.

- b. An Applicant, Owner and/or Developer must be issued IRS Form 8609 for a Development within the State of Indiana prior to submitting a second application request for RHTCs.

IHCDA, in its sole discretion, will consider a waiver for an Applicant, Owner and/or Developer that has materially participated in a successfully completed (i.e. has been issued IRS Form 8609) Development in Indiana while associated/working for a different organization/company. The Authority must receive the waiver request no later than 30 days prior to the application deadline. The waiver request must include 1) the Name and BIN of the Development(s) in which the Applicant materially participated, 2) the role the Applicant played in each Development, and 3) any additional information the Applicant would like IHCDA to consider with the request. IHCDA will provide a written response to the request within 20 days of receiving the waiver request.

IHCDA will not consider a waiver request for a third application requesting RHTCs before the Developer is issued IRS Form 8609 for its first development in Indiana.

Required Documentation: The Applicant, Owner, and Developer must submit the name and BIN Number of the most recent RHTC Development where they have participated with an ownership interest or been part of the Development team (including on a consulting basis). Completed Form A (Application).

- c. At the time an Applicant files an Application with the Authority, eligible development costs expended or incurred towards the Development and/or acquisition shall not exceed fifty percent (50%) of the total estimated eligible development costs, unless the Authority determines that:
 - 1) Rental Housing Financing is necessary for the Development to be completed; and
 - 2) The Development is located in either (a) a "qualified census tract" or (b) "Difficult Development area", as designated by the U.S. Secretary of Housing and Urban Development ("HUD"); and
 - 3) The Development will contribute to the accomplishment of the Authority's housing goals and priorities.

Required Documentation: Completed Application. See Form A. Place in Tab A.

- d. The Development Applicant/Owner, Developer, Management Agent and other members of the Development team as provided in the Rental Housing Finance Application must demonstrate sufficient financial, development and managerial capabilities to complete the Development and maintain it for the Compliance Period and other applicable period.

Required Documentation: The Applicant must provide documentation to demonstrate sufficient financial, development and managerial capabilities. Documentation must include



most recent financial statements and the current year-to-date balance sheet, income statements, and cash flow statements from:

- 1) The Applicant; and
- 2) The Owner (if formed) or its principals (must include all principals of the general partner interest) or from the individual(s)/entity providing guarantees for the Development; and
- 3) The Developer (under the Applicant's, Owner's, and/or Developer's own affidavit respectively); and
- 4) Management Company, if requested by IHCD as part of threshold review.

Resumes showing adequate experience of the developer and the management company must be placed in Tab D.

The Authority, in its discretion, may require audited or CPA reviewed financial statements and/or copies of tax returns or additional documentation. If needed, the Authority will request this information from the Applicant.

The applicant, owner, developer, management company, or any other member of the development team must be in good standing with IHCD. If the application includes an entity currently on IHCD's suspension or debarment list, the application will not pass threshold.

- e. The Development team must show their readiness to proceed as demonstrated by:
 - 1) The Authority's receipt of a completed "Application" in the form required by the Authority and within the time period established and set forth in this Allocation Plan. Each Application must be accompanied by the appropriate application fee and all exhibits. Additionally, the Applicant must provide a Narrative Summary of the Development. See Schedule G for Application Package Submission Guidelines.

Required Documentation: The most current Application (See Form A) completed, Narrative Summary of the Development, and a check made payable to IHCD for the appropriate Application Fee. The check should be attached to the application and placed in Tab A with the Narrative Summary.

- 2) Submitting satisfactory evidence of site control.

Required Documentation: The Applicant must submit documentation evidencing site control including verification of current ownership, by submitting one of the following:



- a) Purchase Agreement or Option that does not expire until after the reservation date for RHTCs, and evidence of title either with title insurance commitment, title search documentation, or attorney’s opinion; OR
- b) Executed and Recorded Deed; OR
- c) Long-term lease option (term of lease must be for a minimum term specified in the Lien and Restrictive Covenant Agreement) and evidence of title either with title insurance commitment, title search documentation, or attorney’s opinion; OR
- d) When an Applicant intends to acquire a site and/or building through a government body, in the Authority's sole discretion exercised on a case-by-case basis, the Applicant must submit all of the following documentation as sufficient evidence of site control:
 - i. duly adopted resolutions of the applicable governmental agency or commission designating the subject area; and
 - ii. duly adopted resolutions of the applicable governmental agency or commission authorizing the acquisition of the land to comprise the Development; and
 - iii. a letter from the applicable governmental agency or development commission setting forth the acquisition schedule for such land on a time table consistent with the Applicant's readiness to proceed without undue risk of Rental Housing Financing being returned to or rescinded by the Authority; and
 - iv. evidence of title either with title insurance commitment, title search documentation, or attorney opinion

The site control documentation submitted must be in the name of the development ownership or the applicant. Site control documentation submitted in the name of the General Partner of the ownership, or in the name of the Limited Partner of the General Partnership will not be accepted as evidence of proper site control. However, the General Partner of the ownership, or the Limited Partner of the General Partnership may be listed as the “seller” on site control documentation. This documentation must be placed in Tab E.

3) Development Site Information

Required Documentation: The applicant must submit preliminary architectural plans electronically and must include:

- a) Unit plan(s) that include the square footage for each type of unit
- b) Dimensioned floor plans for all unit types showing the location of units, including exact placement of all accessible units, and common areas



- c) Elevations for all building types (these must be scaled drawings; rehabilitation projects may submit renderings and photographs only if they are accompanied by a certification from an architect that elevations will not change).
- d) Provide basic site plan for any existing buildings, while also denoting any significant demolition (i.e. demolition of a wing, major interior spaces). The site plan must show how the development is to be built, including rehabilitation projects.
 - i. This plan must indicate the placement and orientation of buildings, parking areas, planned and existing public sidewalks, landscaping, easements, trash dumpsters, buffers, etc. The plan must indicate the number of parking spaces.
 - ii. If not listed on the floor plans, the site plan must indicate the exact placement and number of accessible units.
 - iii. The site plan must indicate if any portion of the site is located in a flood plain or contains wetlands. If a flood plain or wetlands exist on the site, the site plan must indicate the buildings, common areas, and any land improvements located in relation to the flood plain/wetlands – see Section F.2(g)(1-2) of the QAP.
 - iv. The plan must also indicate the location of planned site amenities including playground(s), gazebo(s), walking trails, etc.
 - v. The site plan must show the site boundaries and include the location of any streams, ravines, gullies, drainage problems, or other construction deterrents.
- e) Current aerial photograph with the location of the site clearly marked and the surrounding uses and access points to the site clearly visible. Scattered site projects must submit a map indicating the location of each site with either the parcel number or address labeled for each property.
- f) Current photographs of the project site (images obtained from a website are not acceptable); include images looking out toward each of the cardinal directions. If this is a rehabilitation project include images of each façade of the existing structure(s) as well.

All development site documentation submitted should be dated no more than 12 months prior to the application date. Rehabilitation projects, where there are no structural changes to the development, will be allowed to submit the “most current” architectural plans (which may be dated more than 12 months prior to the application date); along with an affidavit from the architect certifying that there will be no structural changes to the development floor plans. The Authority reserves the right to perform (through its own representatives or its agents) site visits



and evaluations of the Development to determine the satisfaction of these requirements. Place this documentation in Tab F.

- 4) The Applicant must demonstrate an ability to obtain financing (i.e. syndication proceeds, grants, other funds available for the Development).

Required Documentation: All sources of financing must be supported with appropriate documentation satisfactory to the Authority including the following documentation which must be submitted:

- a) Lender letter of interest submitted to the Applicant in support of the Applicant's application must contain a representation and acknowledgment from the lender that:
 - i. such lender has reviewed the same application submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates;
 - ii. lender expressly acknowledges that the Development will be subject specifically to the "40-60" or "20-50" set-aside, and extended use restriction elections made by the Applicant;
 - iii. the lender has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan;
 - iv. any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan; and
 - v. the anticipated terms of the loan including loan amount and interest rate . Place in Tab G;
- b) For financing not yet applied for, the Applicant must submit evidence of eligibility for the source of funding (e.g. a certification from the Applicant stating how the Development is eligible for the funding source). Developments applying for the Federal Home Loan Bank's (FHLB) Affordable Housing Program must identify their Member Bank and their regional FHLB. For this financing, the Applicant must provide a narrative identifying their plan to fill the gap if this funding is not awarded. Place this documentation in Tab G;
- c) If any additional funding/financing of any kind has already been awarded for the Development, a copy of the award letter that includes the expiration date for the award must be submitted and placed in Tab G.



- d) The Development team must provide documentation to the sole satisfaction of the Authority that shows the real estate upon which the Development will be located is currently properly zoned to allow for the proposed Development.

Required Documentation: The Applicant must provide: 1) a letter from the appropriate authorized government official (e.g. zoning commission) that describes the Development location and certifies that the current zoning allows for construction and operation of the proposed Development without the need for additional variance; AND 2) a copy of all approved variances on the property, if any; AND 3) If a Planned Unit Development (PUD) a copy of the appropriate documentation (i.e. organization & requirements). This documentation must be placed in Tab H.

IHCDA in its sole discretion may accept an attorney's opinion with appropriate supporting documentation documenting that the proposed site's current zoning allows for the construction and operation of the proposed Development without the need for additional variance. This will only be accepted with documentation of failed attempts to obtain the information from the appropriate authorized government official.

- e) At the time of application, there will be access to water, sewer, electric and/or gas to the site with sufficient capacity to satisfy the requirements of the Development.

Required Documentation: Completed Form A (Application).

- f) Evidence of Compliance

Every Applicant, Principal, Affiliate(s) and/or Development Team member (collectively, "Development Team") with any ownership interest in a rental housing Development which has received an allocation of RHTCs by the Authority since the inception of the RHTC program (January 1, 1987), must cooperate and comply with the Authority's compliance monitoring procedures. The Authority's monitoring procedures and requirements are set forth in the RHTC Compliance Manual (<http://www.in.gov/myihcda/2490.htm>), a copy of which is attached as Schedule A to this Allocation Plan and made a part hereof. If, in the sole discretion of the Authority, any Development Team member has materially failed to comply with the procedures and requirements of the Authority or any of its programs, the Code or any other governmental program, including, but not limited to, HUD and/or HUD funded programs: (i) the Authority may withhold or reduce, in whole or in part, Rental Housing Financing for which application is made, irrespective of whether the withheld or reduced funding relates to the Development to which the noncompliance relates as determined by the Authority in its sole discretion; and (ii) if the Applicant's noncompliance is chronic and/or egregious in nature, the



Authority may refuse to accept for filing and/or otherwise refuse to consider all or any part of the Applicant's pending or future applications for funding until such time as the Authority decides otherwise.

Any entity currently on IHCD's suspension or debarment list or in default with any lender or partner is ineligible to apply for RHTCs.

All Development team members with an ownership interest in any RHTC Development must satisfactorily demonstrate that all prior findings and assessments against all Applicants and its principals, participants and affiliates have been satisfied.

Any Development found to be in violation of this Allocation Plan will be subject to a reduction or rescission in Rental Housing Financing, and all Development Team members may be subject to debarment from participating in all Authority programs for up to five (5) years.

Required Documentation: The following documentation must be submitted and placed in Tab J:

- 1) All of the Development Team members with an ownership interest or material participation in any affordable housing Development must disclose any outstanding non-compliance issue(s) and/or loan defaults with any state or federal affordable housing program (including private activity tax-exempt bonds) in which it has participated in or received from including those issues that have been corrected since RHTC program inception. Failure to disclose may result in the loss of funding.
- 2) All principals or material participants of the General Partner interest or managing member (if an LLC) and each member of the Development Team (as identified in Form A) must submit a written affidavit accurately disclosing his/her complete interest in and affiliations with the proposed Development and any outstanding noncompliance issues on any affordable housing program. Additionally, the Development Team must include in the affidavit all other RHTC funded Developments located in Indiana where they own(ed) an interest. A management company is required to be identified in the application and the management company named in the initial application must add language to its affidavit certifying that: a) they have reviewed the application for Rental Housing Financing; and b) they can effectively manage the property according to the requirements of Section 42, the Qualified Allocation Plan, and the elections made by the owner/applicant in the application for Rental Housing Financing. If at any



time during the Compliance Period the management company changes, the new management company must also sign a similar certification.

g) Phase I Environmental Site Assessment

A full Phase I Environmental Assessment must be completed prior to Application submission for 9% or 4% funding from the Authority.

Required Documentation:

1. Environmental Phase I completed by an experienced and qualified disinterested third-party hired by the Applicant. The Environmental Phase I must address wetlands and flood plains. Wetland Delineation and USGS maps are required to document the existence of wetlands areas on the site, and must be included in the Environmental Phase I. If there are no wetlands areas on the site, a wetlands delineation is not required but in all cases USGS maps must be included in the Environmental Phase I AND
2. A FEMA flood plain map with the proposed Development site identified must be submitted and placed in Tab K. If a flood plain and/or wetlands are located anywhere on the site, the site plan must show where the buildings, commons areas, and any land improvements will be located in relation to the flood plain and/or wetlands.

100-year Flood Plains (Zone A1-30, AE, A, AH, AO, AR, or A99 as defined by HUD): Applications that propose the placement of buildings in a 100-year flood plain must submit the following documentation:

- a) All areas of the 100-year flood plain must be documented by the FEMA map for the areas in which the site is located. The proposed site for development must be located on that map.
- b) A qualified licensed surveyor or civil engineer must document mitigation for impacts to existing floodplains planned for the Development. A FEMA Conditional Letter of reclassification must be obtained for the property that shows that the property is eligible for reclassification out of the flood plain area.
- c) A financing plan and costs for the site work involved in the reclassification.

For all properties that receive an award of RHTCs and are located in a 100-year flood plain at the time of initial application, a final letter of reclassification from FEMA along with an elevation certification must be provided to IHCD at the



completion of the Development. If wetlands or hazardous substances exist on the site, the Applicant must submit: 1) evidence that the wetlands or hazardous substances can be mitigated; and 2) a plan, that includes financing, of how the Applicant anticipates mitigating the wetlands or hazardous substances.

Developments in a 100 year flood plain (Zone A) are not eligible for HOME funding.

Regarding the date of the Phase I, one of the following will be acceptable to IHCD:

1. A Phase I ESA report dated within six months of the application submission date; or
2. If the Phase I ESA report is dated between six months and one year prior to the application submission date, the applicant must submit an update to the report dated prior to closing if required by the investor.

- h) All applicable conditions and requirements of State and local laws, statutes, regulations, ordinances and other proper authorities in the State, including, without limitation, the requirements specified in the Application, the Indiana Handicapped Accessibility Code as amended, and such additional items which may be required by the Authority (collectively, "State Laws"), shall be satisfied.

Additionally, the Development has been designed to comply with the requirements of all applicable local, state and federal fair housing and disability-related laws. The Development design should consider at a minimum, the applicability of the local building codes, Federal Fair Housing Act, as amended, the Americans with Disabilities Act, and the Rehabilitation Act of 1973, as amended.

Required Documentation: Completed Form A (Application).

- i) Applicants who perform rehabilitation work on pre-1978 Developments (i.e. buildings) are required to comply with the Lead Based Paint Pre-Renovation Rule ("Lead PRE") and the State of Indiana's Lead Based Paint Rules where applicable. (For more information visit www.epa.gov/lead or contact your local Environmental Protection Agency (EPA) Regional Office and www.ikecoalition.org for Indiana's rules.)

Required Documentation: The Applicant must certify that the Development will comply with these laws and rules. Completed Form A (Application).

- j) Developments proposing commercial areas within the building or on the property utilizing Rental Housing Financing will be given consideration.



Required Documentation: The Application must include the following additional information and documentation: (i) a detailed, square footage layout of the building and/or property identifying all residential and commercial areas; and (ii) a time-line for complete construction showing that all commercial areas will be complete prior to the residential areas being occupied. Place this documentation in Tab F.

- k) If any portion of the RHTCs or any other IHEDA resources are being used to acquire the Development, RHTCs and/or acquisition eligible basis will be calculated based on the lesser of the actual amount paid for the building or the appraised fair market value.

Required Documentation: The Applicant must submit the Development's fair market appraisal (completed by a qualified appraiser), which must be completed no earlier than six (6) months from the Application deadline. The fair market appraisal must be at a minimum an "As Is" appraisal and must adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP"). A statement to this effect must be included in the report. USPAP standards can be found at www.appraisalfoundation.org. Place in Tab L.

- l) If any portion of the RHTCs are used to acquire the Development, it must be either exempt from or meet the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule.

Required Documentation: The Applicant must submit at a least one (1) of the following items:(A) a chain of title report from a title company; or(B) a tax professional's opinion from an unrelated party stating that the acquisition is either exempt from or meets the requirements of IRC Section 42(d)(2)(B)(ii) as to the 10-year placed-in-service rule; or, (C) if a waiver of the 10-year ownership rule is necessary, a letter from the appropriate Federal official that states that the proposed project qualifies for a waiver under IRC Section 42(d)(6). Place in Tab L.

- m) If any portion of the RHTCs is used to acquire the Development, the Applicant must disclose all Related Parties and the proceeds from the sale to each Related Party. See Schedule H, "Glossary" for the definition of Related Parties. .

Required Documentation: (i) An attorney opinion that the acquisition meets the related party limitation; and (ii) completed Related Party Form. Place in Tab L.

- n) For Developments proposing rehabilitation, the rehabilitation hard costs must be in excess of \$20,000 per unit. However, if the Development is competing in the Preservation set aside the rehabilitation hard costs must be in excess of \$30,000 per unit. The cost of furniture, construction of community buildings and common area



amenities are not included in the minimum per unit amount. USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount.

Required Documentation: All Applicants applying for rehabilitation Developments requesting Rental Housing Financing must submit a capital needs assessment performed by an independent, Indiana licensed qualified professional (engineer/architect) in the format required by the Authority at least 30 days prior to the application submission. The complete Capital Needs Assessment Report must be submitted in an electronic PDF version. See Schedule F - Capital Needs Assessment. Applicants applying for adaptive reuse Developments are not required to complete the Capital Needs Assessment, but are required to submit a structural conditions report by an independent, Indiana licensed qualified professional (architect/engineer) to the Authority at least 30 days prior to the application submission. The structural conditions report must contain an assessment for any physical aspects that will be retained to verify their current condition and any repairs that will be necessary for use in the development. Place in Tab L.

- o) For all Developments that will impact existing tenants, provide a displacement/relocation plan.

Required Documentation: A detailed displacement/relocation plan must be submitted detailing 1) any potential permanent, temporary or economic displacement/relocation issues, 2) the number of current tenants to be relocated, 3) where the tenants will be relocated during the rehabilitation and for the length of time, 4) how displacement/relocation will be minimized and how relocation expenses will be paid for if they are incurred and 5) displacement/relocation assistance plan (e.g. Who will get assistance? How much assistance will they receive? When and how will they receive their assistance? Who will provide advisory services to those displaced?) Place in Tab L and include relocation expenses on the development budget on Form A.

- p) Upon request, the Applicant shall provide a completed IRS Form 8821, Tax Information Authorization, for each owner/general partner. The form must be signed by an individual authorized to sign on behalf of the Owner.
- q) Underwriting Guidelines

The following are underwriting guidelines for all Developments. However, all applicants should be aware that these are averages and the numbers submitted should reflect the nature and true cost of the Development proposed. IHCD will consider any underwriting outside of these guidelines if supporting documentation



is provided. If an explanation and supporting documentation is not provided for being outside of the guidelines, a technical correction will be issued.

- 1) Total Operating Expenses - IHEDA will consider the reasonableness of operating expenses for each Development based on information submitted by the Applicant. All Developments must be able to underwrite with a minimum operating expense of \$3,500 per unit per year.
- 2) Management Fee— 5-7% of “effective gross income” (gross income for all units less Vacancy Rate).

# of Units	Maximum Management Fee Percentage
1 to 50 units	7%
51 to 100 units	6%
101 or more units	5%

- 3) Vacancy Rate – 6% - 8%
- 4) Rental Income Growth – 0-2%/year
- 5) Operating Reserves – four (4) to six (6) months of projected operating expenses, excluding annual replacement reserve payments, plus debt service payments or \$1,500 per unit (whichever is greater)
- 6) Replacement Reserve is required for all developments and must be included in the operating budget. Contributions must be made to the reserve account, starting at or before the conversion date of the construction loan to permanent loan and must be funded for the term of the loan. The following minimum contributions must be used:
 - a) Rehabilitation: \$350 per unit per year
 - b) New Construction (if age-restricted): \$250 per unit per year
 - c) New Construction (if non age-restricted): \$300 per unit per year
 - d) Single Family Units: \$420 per unit per year
 - e) Historic Rehabilitation: \$420 per unit per year

For multiple construction types, each unit must meet the minimum contributions stated above based on the construction type of that unit. For example, if a development contains 30 age-restricted new construction units and 20 rehabilitation units, the calculation would be 30 units at \$250 per unit per year and 20 units at \$350 per unit per year.



Replacement Reserve funds must only be used for Capital Improvements (substantial improvements to the real estate such as re-roofing, structural repairs, or major projects to replace or upgrade existing furnishings, but not including replacement of individual appliances or minor repairs) and must **not** be used for general maintenance expenses. Less restrictive provisions required by Lenders must be approved by IHCD.

Replacement Reserves must escalate at a rate of 3% per year. IHCD will at its discretion, adjust the Replacement Reserve to reflect reasonable and customary capital and replacement expenditures.

For Rehabilitation developments, the capital needs assessment will also be reviewed in determining whether sufficient reserves have been established.

- 7) Service Reserve- all developments competing in the Housing First set-aside or for the integrated supportive housing points must establish a capitalized service reserve to help ensure that supportive services can be provided to tenants throughout the compliance period. The amount of the service reserve must be based on development size and service budget. The application must include a copy of the anticipated service budget and a narrative describing the methodology used to determine the size of the proposed service reserve. Place in Tab M.

IHCD will, at its discretion, issue additional guidance via a Real Estate Department Notice to set a more standardized requirement on the allowable size (minimum and maximum) of the capitalized service reserve to reflect reasonable and customary expenditures and industry best practices.

- 8) Operating Expense Growth – 1-3%/year
IHCD requires operating expense growth to be at least 1% higher than rental income growth.
- 9) Stabilized debt coverage ratio (stabilization usually occurs in year 2)
 - a. Large and Small City Developments: 1.15 – 1.40
 - b. Rural Developments: 1.15 – 1.50

(Although stabilization occurs generally in year two, the debt coverage ratio projection for a Development should not go below 1.10 during the complete 15 year Compliance Period to be considered financially feasible.)

IHCD recognizes that some deals may have higher debt coverage at the beginning of the compliance period in order to remain feasible over the fifteen years. Documentation to support these higher debt coverage ratios must be provided.



Developments without hard debt are allowed but will be subject to additional scrutiny from IHCD. Developments submitted with no debt will not have a debt coverage ratio but will be required to have a cash flow without having an undue profit. This will be determined by a ratio of Effective Gross Income to Total Annual Expenses (including reserve for replacement). A ratio of 1.10 shall be the minimum required to be considered feasible by IHCD in Years 1-15.

NOTE: Tax abatement may cause the debt coverage ratio to be higher than these guidelines.

- 10) A project that depends on commercial income to meet the minimum underwriting guidelines will not be considered financially feasible.

Required Documentation: 1) Documentation of estimated property taxes and insurance for the proposed Development (i.e. a statement of how the Applicant determined the estimated taxes and insurance for the Development); AND 2) If the underwriting is outside these guidelines, the Applicant must provide a written detailed explanation with documentation (if applicable) supporting the explanation (approval of underwriting from other financing institutions/funding sources may not constitute acceptable supporting documentation). This documentation must be placed in Tab M.

- 11) Grants/Federal Subsidies

Those RHTC Developments that include “soft” loans (e.g. HOME funds loaned to the Development with payments through available cash flow) must demonstrate a reasonable expectation (as determined by the Authority in its sole and absolute discretion) that the loan will be repaid at a date certain (usually eight (8) to fifteen (15) years). If the loan and any outstanding interest is not expected to be paid until the end of the Initial Compliance Period, there must be reasonable expectation that the fair market value of the Development will be sufficient at that time to pay the accrued interest and debt and that the net income of the Development will be sufficient to sustain debt service.

Required Documentation: Completed Form A (Application). Place additional information documentation in Tab G.

- 12) Developments located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible to increase or “boost” the eligible basis of their Development by up to 30% to determine the maximum credit amount. See Appendix E for a complete listing of QCTs and DDAs.



The Authority may also increase or "boost" the eligible basis up to 30% for 9% projects to determine the maximum credit amount for Developments whose buildings are placed in service after July 30, 2008 if the eligible basis otherwise would be a low percentage of the total development costs due to any of the following:

- 1) Officially declared disaster area by the State of Indiana after January 1, 2008 which will assist in providing affordable housing to people affected by the disaster.
- 2) Competing under the Community Integration set-aside, Housing First set-aside or eligible for the Integrated Supportive Housing points under evaluation factors.
- 3) Competing under the Preservation set-aside.
- 4) Necessity of extensive site preparation and/or off-site costs. All such work must be reasonable based on the circumstances.
- 5) Demolition and new construction, rehabilitation of historic structures, and/or conversion of existing structures.
- 6) Commit to rent levels that maximize total points under Section G.1, "Rents Charged" scoring category.

Buildings located in areas already qualifying for additional credits, will not qualify for an additional increase if they have already received the eligible basis boost.

Required Documentation: Developments located in a declared disaster area must include: (i) Documentation that the Development has been officially declared a disaster area by the Governor, and (ii) A narrative description of how the proposed Development will help the area and the individuals affected by the disaster. All other Developments must provide a narrative explanation justifying the need to increase the eligible basis. Place documentation in Tab A.

r) Threshold Requirements for Supportive Housing

Developments competing in the Housing First set-aside must meet the following criteria:

- 1) Applicant must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific development for which they are applying. In order to demonstrate that all Institute requirements have been met, the applicant must obtain a letter from CSH certifying that:
 - i. The team attended all Institute sessions; and



- ii. CSH has reviewed the proposed development, operating, and service budget, tenant selection plan, operation plan, and supportive service plan. The development team must submit their draft budgets and plans to CSH 45-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - iii. Project concept is aligned with Institute goals, including target population to be served and use of the Housing First model.
- 2) Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from completion of Institute until at least the end of the first year of occupancy). A copy of the MOU must be provided with the RHTC application.
 - 3) Applicant must enter into an MOU with each applicable supportive service provider. A copy of the MOU(s) must be provided with the RHTC application.
 - 4) Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. If applicant is applying for Project Based Section 8 through IHEDA, Form O must be submitted.

Required Documentation: Application must include the following items placed in Tab O:

- i. CSH letter certifying completion of the Institute, review of applicable plans, and conformance with Institute goals / the Housing First model; and
- ii. Copy of executed CSH MOU; and
- iii. Copies of all applicable service provider MOUs; and
- iv. Documentation of subsidy sources commitments or narratives as described in item #4 above; and
- v. If applicable, Form O to apply for IHEDA Project Based Section 8.

3. User Eligibility and Limitations

- a. Development Limitations:



The amount of RHTCs which may be reserved for an allocation of 9% credits to any project may not exceed \$1,200,000. The Authority will not accept requests for a waiver of the credit cap for 9% developments.

For developments requesting tax exempt bond financing, the credit request may exceed \$1,200,000 if the project has sufficient basis.

b. Developer Fee Limitations:

i. New Construction: Developer fees for new construction developments must be the lesser of total per unit amount listed below or \$1,200,000 (the maximum for developments with tax-exempt bonds is 15% of eligible basis, but any amount over \$2,500,000 must be deferred and paid out of cash flow.).

1. \$20,000 per unit for the first 20 units;
2. \$15,500 per unit for the next 35 units;
3. \$12,000 per unit for the next 35 units;
4. \$8,000 per unit for any unit above 90.

ii. Rehabilitation or Adaptive Reuse: Developer fees for rehabilitation and adaptive reuse must be the lesser of total per unit amount listed below or \$1,200,000 (the maximum for developments with tax-exempt bonds is 15% of eligible basis, but any amount over \$2,500,000 must be deferred and paid out of cash flow.).

1. \$22,000 per unit for the first 20 units;
2. \$17,000 per unit for the next 35 units;
3. \$14,500 per unit for the for the next 35 units;
4. \$8,000 per unit for any unit above 90.

For 9% credit projects with multiple construction types, each type must follow the limits above. For example, a project with 20 units of new construction and 20 units of adaptive reuse would have a limit of \$840,000 ($\$20,000 \times 20 + 22,000 \times 20$).

The Authority will monitor both hard and soft costs of the Development compared to Developments of similar size and location and in its sole discretion reduce the total Developer Fee, which may reduce the amount of any RHTC allocation.



NOTE: Consultant Fees, Guaranty Fees (between related parties), or any similar fees, charges or reimbursement for services customarily performed or provided by an affordable housing developer will be considered part of the Developer Fee.

When determining the amount of Credit necessary to make a Development financially feasible, the Authority will include the deferred Developer Fee as a source of funding.

To be included in RHTC basis, deferred Developer Fee must be due and payable at a date certain. Fees may be paid as a cash flow loan if it can be demonstrated that the fee can and will be paid in a reasonable amount of time (generally considered to be eight (8) to fifteen (15) years). If fees are permanently contributed to the Development, they must be paid to the developer and then contributed to the Development if the fees are to be included in RHTC basis.

Additionally, at the time of initial Application, no more than 60% of the developer fee may be deferred for 9% RHTC Developments and no more than 80% of the developer fee may be deferred for bond volume 4% RHTC Developments. However, the Authority may, on a case by case basis with convincing documentation acceptable to the Authority and for the financial feasibility of the Development allow a larger percentage of the developer fee to be deferred.

Required Documentation: Applicant must include a statement 1) disclosing each entity/individual receiving a portion of the Development Fee along with the percentage of the fee the entity/individual will receive and 2) describing the terms of the deferred repayment obligation to the Development including any interest rate charged and the source of repayment with the application. Non-profit organizations shall include a resolution from the Board of Directors allowing such a deferred payment and interest obligation to the Development. The Authority will require a Deferred Development Fee Agreement, satisfactory to the Authority in its sole discretion evidencing the principal amount and terms of interest and repayment of any deferred repayment obligation be submitted at the time of final cost certification. Place this documentation in Tab M.

c. Contractor Fee Limitations

Contractor fees shall also be limited, for purposes of determining the RHTC amount to be allocated, based on the amount of total costs incurred toward the construction or rehabilitation of the Development (including site work not included in the construction contract), excluding Developer and Contractor Fees. The Contractor Fee limitations are as follows:

Contractor Fees	Contractor Fee % Limitations
General Requirements	6% of Total Construction/Rehabilitation Cost



General Overhead	2% of Total Construction/Rehabilitation Cost
Builders Profit	6% of Total Construction/Rehabilitation Cost
Total	14% of Total Construction/Rehabilitation Cost

The Authority will permit savings in a particular Contractor Fee line item to offset overruns in other Contractor Fee line items; provided, however, that in any event the total Contractor Fees shall not exceed 14%.

No increase will be permitted higher than the above stated limitations.

d. Architect Fee Limitations

The architects' fees, including design and supervision fees must be limited to four percent (4%) of the total hard costs plus site work, general requirements, overhead, profit and construction contingency.

Applicants that propose an architect fee exceeding four percent (4%) must follow a Competitive Negotiation Procedure. The guidelines for a Competitive Negotiation Procedure are located in the Glossary, Schedule H.

Architect design fees may be reduced further when the same design has been used in previous developments.

Required Documentation: If following a Competitive Negotiation Procedure, place a description in Tab M.

e. Consultant Fee Limitations

The total amount of all consulting and developer fees must be no more than the maximum developer fee allowed to the Development.

f. Reasonableness of Project Costs

Any line item costs, square footage costs or total unit costs exceeding a range of reasonableness may be disallowed solely at the discretion of IHCD. Additional information and documentation (verified by IHCD and/or IHCD's designee) may be required to substantiate the reasonableness of the cost. Any allocation made will be determined using IHCD's assessment of cost.

g. Related Party Fees

The Applicant, Owner, Developer, and Consultant must disclose all Related Party fees submitted within the initial application budget. Fees may include, but not limited to developer fee, consultant fee, architect fee, guaranty fee, owner's representative fee, broker fee, document review fee, supervision fee, syndicator fee, engineer fee, attorney



fee, accountant fee, management fee, contractor fee, etc. "Related Parties" is defined in the Glossary, Schedule H.

Projects without related parties must still sign and submit Form N.

Required Documentation: Complete Form N and place in Tab J.

4. Minimum Development Standards

- a. In addition to meeting all new construction and rehabilitation standards required by IRC Section 42 and local and State building codes, each unit must provide in good working order:
 - 1) Stove or in the case of SRO's access to a communal stove.
 - 2) All developments are required to install either both or combination smoke and CO detectors in accordance with Indiana Building Codes and NFPA 72. Smoke detectors, in all existing buildings and rehabilitations, shall be installed in all locations per current Indiana Code requirements that are applicable for new construction. The smoke detectors shall be hard wired with the primary power source, have battery back-up, and be interconnected as required by Indiana Building Codes and NFPA 72 for new construction. Where the rehabilitation does not include removal of existing wall or ceiling finishes exposing the structure, and the wall, ceiling, and/or floor structures are not exposed, battery operated smoke detectors shall be installed in all locations required by Indiana Codes for new construction **unless** there is access to ceiling areas through attics, and access to walls from crawl spaces or basements. Ceilings with attic areas, and floors with crawl space/basement areas shall have smoke detectors installed in all locations, be hard wired, have battery back-up, and interconnected per current Indiana Code requirements for new construction.
 - 3) All developments must replace all smoke detectors after they have been in service for 10-years, as per the requirements in NFPA 72.
 - 4) Fire Suppressors above stoves/ranges.
- b. Minimum design requirements for all new construction and rehabilitation (where the following items are proposed as part of the rehabilitation): NOTE: For rehabilitation, new components, systems, appliances, etc. that will be utilized in one or more units will be required to be utilized in every unit of the site
 - 1) The use of low maintenance exterior building finishes including brick, stone, hardy board, fiber cement siding or vinyl siding. If vinyl siding is used it must be at least Residential Grade (.044") in thickness and carry a lifetime warranty.



- 2) Minimum HVAC standards: gas heating system with a minimum 90% AFUE rating; air conditioning system with a minimum 14 SEER rating; and a minimum 8.0 HSPF electric heat pump system that is properly sized for the unit. Electric furnaces must have a primary heating system that includes a heat pump. All space heating/cooling systems must be sized using ACCA Manual J, GAMA H-22, equivalent, or an accredited design professional's and Manufacturer's recommendations.
 - 3) Thermal insulated windows and entry doors with a minimum U value of 0.35 or below.
 - 4) All buildings to have attic insulation of R-38 or better – New Constructions and Rehabilitation. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.
 - 5) All new construction building(s), energy efficiency must be demonstrated by meeting the minimum standards established by:
 - i. LEED rating system;
 - ii. Bronze rating under the National Green Building Standards;
 - iii. Enterprise Green Communities;
 - iv. Equivalent under a system rating that is accredited by the American National Standards Institute. Any development wishing to use an alternative rating system to those listed is advised to consult with IHCD prior to application to determine if that rating system will be considered acceptable.
 - 6) Roofing products with anti-fungal shingles and a minimum 30 year warranty.
 - 7) Buildings and units must be identified using clearly visible signage and/or numbers, where unit and building identification signage must be well lit from dusk until dawn.
 - 8) Exterior railings shall be of heavy duty steel, aluminum, composite, or wood, materials capable of supporting all vertical and horizontal loads per Indiana Code.
 - 9) Where trees and large bushes/shrubs are closer than 40-feet to foundation walls, quality gutter guards must be installed on all storm drainage gutters for the affected buildings.
 - 10) Exterior stairways, including the landings and approaches, shall be designed so that water will not accumulate on the walking surfaces.
 - 11) All primary unit entry doors must have roof covering a minimum of 3-feet deep by 5 feet wide and contain a landing of the same minimum dimensions.
 - 12) Fire places are prohibited in residential units.
 - 13) Residential demising floors and walls separating units must be framed and insulated to prevent sound transmission of STC 50.
 - 14) New cabinets must include dual slide tracks on drawers. Door fronts, styles, and drawer fronts must be made with quality materials other than particle board.
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- 15) Clothes dryer vent transition duct from flex to hard duct shall be made through recessed clothes dryer boxes.
- 16) If a Development is going to utilize or store flammables, gasoline, and/or gasoline powered equipment, the gasoline, flammables, and/or gasoline powered equipment must not be stored in the same structure housing residential units unless separated by a 4- hour fire wall and the storage space is not accessible from inside the residential structure. Exception: may be a 2 hour wall if the storage facility is equipped with fire sprinkler system compliant with NFPA13R.
- 17) Water heater installations must have heat traps in the piping connection design.
- 18) All new construction developments must be built in accordance with the accessibility requirements of the Fair Housing Amendments Act of 1988. In addition, rehabilitation developments must also meet the design and construction standards of the Fair Housing Amendments Act of 1988 if the first use of the building was after March 13, 1991. Section 100.205 of the United States Department of Housing and Urban Development (HUD) regulation at 24 CFR part 100 implements the Fair Housing Act's design and construction requirements. These specific design and construction standards can also be found in the appropriate requirements of the International Building Code (IBC) with the ICC A117.1 Accessible and Usable Building and Facilities, Fair Housing Accessibility Guidelines (FHAG), and in HUD's Fair Housing Act Design Manual. If a Development will receive federal funds or HUD Program funding, the Development must be designed and built in accordance with appropriate accessibility requirements of Section 504. These specific design and construction standards can be found in the Uniform Federal Accessibility Standards (UFAS) and at 24 CFR Part 8.
- 19) For rehabilitation of buildings constructed of a masonry shell, all exterior walls must contain an air barrier between the masonry and partition walls with properly aligned thermal and pressure boundaries , or be coated with materials that prevent air movement while allowing vapor transmission to escape the interior of the buildings shells. Additionally, there must be a 1" air space between the masonry and air barrier on the partition walls that are within the building shell. This standard does not apply to buildings entitled to claim Federal historic rehabilitation tax credits.
- 20) For developments using fluorescent, high pressure sodium, mercury vapor, and/or metal halide lamps/lighting, a proper collection and recycling program must be in place and the EPA's Resource Conservation & Recovery Act must be followed for the proper disposal of the luminaries.

c. Minimum amenities for Age-Restricted developments:



- i) For New Construction:
 - All common areas must be accessible and 100% of the units must be Accessible units, Type A units, or Type B units in accordance with Chapter 10 of the ICC A117.1 and elevators must be installed for access to all units above the ground floor.

- ii) For Rehabilitations & Adaptive Reuse:
 - All common areas on the main floor must be accessible and 100% of the ground floor units must be Accessible units, Type A units or Type B units in accordance with Chapter 10 of the ICC A117.1 If the building(s) contain elevator(s)/lift(s) prior to rehabilitation, the elevators/lifts must be maintained and all common areas must be accessible and 100% of the units above the ground floor must be Accessible units, Type A units or Type B units in accordance with Chapter 10 of the ICC A117.1.

Required Documentation: The Applicant must certify that the Development will comply with these requirements. Completed Form A (Application).

d. Minimum Unit Sizes

As provided in the Rental Housing Finance Application, the net square footage is the total livable space within the interior walls of the unit (this excludes garages, balconies, exterior storage and Development common areas).

Development Type	Eff./0 BR Units minimum net sq. ft.	One BR units minimum net sq. ft. (minimum 1 bath required)	Two BR units minimum net sq. ft. (minimum 1 bath required)	Three BR units minimum net sq. ft. (minimum 1 ½ baths required for all new construction)	Four + BR units minimum net sq. ft. (minimum 2 baths required for all new construction)
*New Construction	375 sq. ft.	675 sq. ft.	875 sq. ft.	1075 sq. ft.	1275 sq. ft.
Adaptive Reuse & Rehab/existing housing	350 sq. ft.	500sq. ft.	680 sq. ft.	900 sq. ft.	1075 sq. ft.



*New construction of permanent supportive housing or assisted living units will be subject to the minimum square footage for rehabilitation.

Required Documentation: Complete Form A (Application) and floor plans with exact total net square footages printed clearly. Place in Tab F.

e. Universal Design Features

- 1) Applicants must adopt a minimum of four (4) universal design features from **each** Universal Design Column.
- 2) IHEDA encourages the adoption of universal design features best suited to the applicant’s proposed development. To that end, IHEDA will accept proposed universal design features beyond the provided list relevant and necessary to the applicant’s development. In submitting universal design proposals, the applicant must clearly describe the additional feature, provide justification for the necessity of its inclusion, and provide justification for the desired column classification. The evaluation, acceptance, and classification of universal design proposals is the sole discretion of IHEDA.
- 3) Column Classification of Universal Design Features:
 - Features found in Column A are regarded as being of high cost and/or high burden of inclusion to the development. Features found in Column B are regarded as being of moderate cost and/or moderate burden of inclusion to the development. Features found in Column C are regarded as being of low cost and/or low burden of inclusion to the development. By columnizing such features, IHEDA encourages applicants to diversify their universal design portfolio to the greatest extent possible.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
Front loading washer and dryer with front controls, raised on platforms or drawers in each unit or all laundry facilities	At least one entrance to the ground floor of a unit shall be on a circulation path from a public street or sidewalk, a dwelling unit driveway, or a garage. That circulation path shall be a ramp or sloped walking surface. Changes in elevation shall not exceed ½” (All one & two family dwellings only)	Audible and visible smoke detectors in each unit



Walk-in Bathtub or shower with a folding or permanent seat (Senior Living Facilities 10% of the units, and 5% of the units for non-senior)	In kitchens, provide pull out shelves or Lazy Susan storage systems in base corner cabinets	Light switches located 48" maximum above the finished floor in each unit
Range/oven with controls located to not require reaching over burners in 10% of the units	All interior doors shall have a minimum clear width opening of 31-3/4"	Lighting controls are rocker, or touch sensitive control
Wall oven with 27" minimum knee clearance under the door in the open position and controls 48" maximum above the floor in 10% of the units	Adjustable height shelves in kitchen wall cabinets in each unit	Over bathroom lavatories, mirrors with the bottom edge of the reflecting surface 40 inches maximum above the floor or a tilt mirror that provides a similar view in each unit
Toilets that meet the provisions for location, clearance, height and grab bars in 2009 ICC A117.1 Section 604.5 in one bathroom in each unit	Where provided, telephone entry systems shall comply with ANSI.SASMA 303.-2006, Performance Criteria for Accessible Communication Entry Systems	Lever handle faucets on lavatories and sinks in each unit
Provide an accessible route from the garage into the dwelling in 10% of the units with attached private garages	Provide one of the following in one bathroom within each unit: 1. Adjustable height shower head that allows for a shower head to be located below 48" above the tub or shower floor; or 2. Hand-held showerhead with a flexible hose 59" minimum in length	Full length mirrors with the bottom of the reflecting surface lower than 36" and top to be at least 72" above the floor in each unit
Curb cuts along an accessible route throughout the development in accordance	Remote control heating and cooling in each unit	Where provided, signage identifying unit numbers shall be visual characters, raised



with 2009 ICC A117.1 Section 406.13		characters and braille
Side by side refrigerators in each unit	In the kitchen, provide a 30" x 48" clear floor space adjacent to the sink, dishwasher, cooktop, oven, refrigerator/freezer and trash compactor	Where room lighting is provided, provide remote controls or motion sensor controls
Where private garages are provided, automatic garage door openers on the garage doors	At least one section of the counter or a pull out surface shall provide a work surface with knee and toe clearances in accordance with ICC A117.1 Section 1003.12.3	Bathtub/shower controls located 48" maximum above the tub floor in each unit
Provide in the kitchen a sink and a work surface in accordance with ICC A117.1 Sections 1003.12.3.2 and 1003.12.4.2 in 10% of the units	Built in microwave with an adjacent clear floor space and controls located 48" maximum above the floor in each of the units	Pulls on drawers & cabinets in each unit
Provide Motion detector controls for the outside lights at least on entrance in each unit	For kitchen and bathroom countertops, provide a visual contrast at the front edge of the counter or between the counter and the cabinet in all units	At least one garden area raised to a minimum of 15" above the adjacent grade
A removable base cabinet in kitchens at the sink and one work surface and at the lavatory in at least one bathroom in accordance with ICC A117.1 Sections 1003.12.3.1, 1003.12.4.1 and 1003.11.2 in all bottom level units	Provide a 30" x 48" clear floor space in each bathroom. Where bathroom doors swing in, the clear floor space must be beyond the swing of the door	Provide 10 fc lighting for at least one work surface in each unit
In kitchens, provide pull out shelving for all standard base cabinets in each unit	All hallways 42" or wider in each unit	Controls for bathtubs or showers located between the centerline of the bathtub or shower stall and the front edge of the opening in at least one



		bathroom in each unit
Provide a roll-in shower in at least one bathroom in accordance with ICC A117.1 Section 608.2.2 or 608.2.3 in each unit	All wall reinforcements for a second handrail at stairways in each unit	All closet rods adjustable or provide a portion of each closet with two clothes rods at different heights in each unit
In 10% of the units, provide cook top with toe & knee clearance underneath in accordance with ICC A117.1 Section 1003.12.5.4.2. The underside of the cook top shall be insulated or otherwise configured to protect from burns, abrasions or electric shock	Where walls are provided adjacent to toilets, bathtubs or showers, provide blocking for a future installation of grab bars in accordance with ICC A117.1 Section 1004.11.1	Slide or bi-folding closet doors for reach-in closets in all units
Dishwasher unit with all operable parts and shelving between 15" and 48" above the flooring 10% of the units	All doors intended for user passage shall have a minimum clear width opening of 31-3/4"	Levered hardware doors intended for user passage in each unit
A fixed or fold down seat in the shower or a bathtub with a seat in at least one bathroom of 10% of the units	Kitchen Faucet with pull out spout in lieu of side mount sprayer in each unit	Electric outlets raised 15" minimum above the finished floor in each unit. Dedicated outlets and floor outlets are not required to comply with this section
Grab bars in bathroom and shower in 10% of the units (1 st bathroom only for two bathroom units)	Provide a means of identifying visitors without opening the door in accordance with ICC A117.1 Section 1006.5.2	Provide a lighted doorbell at the outside of the primary entrance door to each unit in accordance with ICC A117.1 Section 1006.5.1
Remote controlled drape, blinds and/or curtains in 5% of the units	Significant color contrast between floor surfaces and trim in each unit	Countertop lavatories with lavatories located as close to the front edge as possible in



		10% of the units
Carpet complying with ICC A117.1 Section 302.2 or slip resistant flooring	Visual contrast between stair risers and stair treads in each unit that contains stairways	Self-closing drawers on kitchen cabinets
		Mailboxes located between 24"-48" above the ground

Required Documentation: Completed Form A (Application)

f. Smart Use Training

Smart Use Training must be provided to onsite property staff (management and maintenance) and tenants during the compliance period. Training and manuals should be separate (i.e. one manual for staff and one for tenants) and oriented toward the end user

Required Documentation: Completed Form A (Application). The Smart Use Training curriculum for both onsite staff and tenants must be available for review at all times after the placed in service date and supporting documentation demonstrating participation by all tenants and onsite staff.

g. Visitability Mandate

Any development involving the new construction of single family homes, duplexes, triplexes, or townhomes must meet the following visitability mandate.

Visitability is defined as design concepts that allow persons with mobility impairments to enter and stay, but not necessarily live, in a residence. VISIBLE units must comply with one of the following definitions:

1. There are three (3) specific design elements that must be incorporated to satisfy the visitability mandate:
 - Each unit must contain at least one (1) zero-step entrance on an accessible route. This can be any entrance to the unit;
 - All main floor interior doors (including bathroom doors and walk-in closets) in each unit must provide at least at least 31 ¾ inches of clear opening width; and



- Each unit must contain at least one (1) half or full bathroom on the main level that is accessible per ICC A117.1.Section 1004.11.

OR

2. Units must comply with the Type C unit criteria in ICC A117.1 Section 1005.

h. Threshold Requirements for Affordable Assisted Living

Developers and management companies of affordable assisted living must follow the Indiana Division of Aging’s “Aging Rule” for providers of home and community based services. See Indiana Code 12-10-15 and Indiana Administrative Code 455IAC2.

5. Special Housing Needs

All developments must commit to setting aside 10% of the total units to qualified tenants who meet the State’s definition of “special needs populations”, pursuant to Indiana Code (“IC”) 5-20-1-4.5.

Special needs populations include the following:

- 1) Persons with physical or developmental disabilities
- 2) Persons with mental impairments
- 3) Single parent households
- 4) Victims of domestic violence
- 5) Abused children
- 6) Persons with chemical addictions
- 7) Homeless persons
- 8) The elderly

Additional information on this requirement can be found in Section 5 of the Rental Housing Tax Credit Compliance Manual.

Required Documentation: Completed and executed Form K. Place Form K in Tab O.

6. Affordable Housing Database

All applicants that receive an allocation of credits must list their property in the Affordable Housing Database. www.indianahousingnow.org

7. Indiana Housing Online Management System - <https://ihcdaonline.com/>

All IHCDAs assisted multi-family developments are required to enter tenant events using IHCDAs’ Indiana Housing Online Management rental reporting system within thirty (30) days of the tenant’s event date. Tenant events include move-ins, move-outs, annual recertifications, unit transfers, rent and utility allowance changes, and student status updates. Annual Owner Certification Rental Reports must be submitted electronically using the Indiana Housing Online Management System.



8. Receipt of Rental Housing Financing

Applicant(s) receiving Rental Housing Financing must satisfy at time of Final Application all scoring criteria they received points for unless otherwise approved by the Authority in writing.

9. Application Disqualification

Applications for 9% credits reviewed during the Threshold period and found to have five (5) or more Technical Corrections will fail threshold and will not be eligible for credits.

10. Performance Violation

The Authority in its sole and absolute discretion shall have the right to impose the following sanctions upon applicants, developers, owners, consultants, management agents, contractors, and any other applicable development team member and/or entity for failure to perform or comply in accordance with the certified initial or final application or the policies and procedures of the Qualified Allocation Plan.

- **Fines:** Failure to comply or perform in accordance with the certified initial or final application or the policies and procedures of the Qualified Allocation Plan may result in a monetary fine.
- **Reduction of Credits:** Failure to comply or perform in accordance with the certified initial or final application or policies and procedures of the Qualified Allocation Plan may result in the reduction of credits.
- **Suspension and/or Debarment:** The Authority may suspend a development team member who is suspected of misusing, abusing, or otherwise failing to use IHEDA resources properly, pending completion of an investigation. The Authority may debar a development team member on reasonable evidence that the development team member has behaved or is behaving improperly with regard to IHEDA resources, whether intentionally or unintentionally. The difference between suspension and debarment is that a suspension is used to allow the Authority to determine whether a debarment or other action is warranted pending completion of an investigation. Therefore, a suspension is intended to be an indefinite and temporary measure until the Authority determines whether debarment is appropriate. Upon determination that a development team member will be suspended, IHEDA will issue a written notice of the suspension. Following completion of the investigation, the Authority will send the development team member a written notice of its final decision.

G. Evaluation Factors



The Authority has developed five (5) categories of criteria, based on the needs assessment conducted and the housing goals established by the Authority. If an Application satisfies all applicable requirements, then it will be evaluated and scored based on:

Scoring Section	Total Number of Eligible Points
1. Rents Charged	16 Points
2. Development Characteristics	63 Points
3. Sustainable Development Characteristics	14 Points
4. Financing & Market	17 Points
5. Other	33 Points
Total Number of Points Possible	143 Points

Applicants seeking an RHTC allocation under Indiana’s RHTC cap must score a total of 80 or more points under this Allocation Plan. Additionally, Applicants seeking Private Activity Tax Exempt Bonds, either in conjunction with 4% RHTCs or alone, will be subject to a minimum score established by the Authority on a case-by-case basis. **To qualify for points, all required documentation (e.g. certifications, letters, etc.) must be issued/dated within six (6) months prior to the Application deadline date.**

The Authority reserves the right not to allocate funding to a Development that scores ten (10) or more points less than the nearest Development receiving Rental Housing Financing. A written explanation will be made available to the general public for any funding of a housing credit dollar amount, which is not made in accordance with established priorities and selection criteria in this Allocation Plan.

If two or more developments receive an equal total score, the following tie breakers will be used to determine the reservation:

- a. First Tie Breaker: priority will be given to the development located in a community that has not received tax credits within the past three years. If a tie still remains;
- b. Second Tie Breaker: priority will be given to the development that requests the lowest number of tax credits per unit. If a tie still remains;
- c. Third Tie Breaker: priority will be given to the development that competes under the highest number of set-asides.

1. Rents Charged

All Developments must meet the minimum set-aside requirement for Section 42 with election of the “40-60” or the “20-50” set-aside.

If the Development intends to charge rents lower than the maximum allowable for the area median income (AMI) required by Section 42 of the Code and maintain rents for units at a level not to exceed the maximums as published in Appendix A and B, points will be awarded as follows:

Points	% of units at 30% AMI Rent	TOTAL% of units at or below 50% AMI Rent (including 30% units)
16	25%	50%
12	25%	40%
8	25%	25%
4	Less than 25%	33.33%

Based on Area Median Income Rents charged, the Authority will award sixteen (16) points for developments with at least 50% of total units at or below 50% AMI Rents with at least 25% of total units at 30% AMI Rents; twelve (12) points for developments with at least 40% of total units at or below 50% AMI Rents with at least 25% of total units at 30% AMI Rents; eight (8) points for developments with fewer than 40% of total units at or below 50% AMI Rents with at least 25% of total units at 30% AMI Rents; or four (4) points for developments with at least 33.33% of units at or below 50% AMI Rents, but less than 25% of total units at 30% AMI Rents.

Projects competing in the Work Force Housing set-aside will automatically qualify for 16 points by designating 100% of the units at 60% rent and income limit or a combination of 60% and market rate units.

For projects competing in the Community Integration set-aside, units reserved for the target population of persons with intellectual or developmental disabilities must be rent-restricted at 30% rents.

The Authority encourages owners to disperse all low-income units evenly among buildings and units in a mixed income, multi-building Development.

Per Section 42(g)(7), scattered site Developments that contain market rate units will not qualify to receive points for their market rate units.

Maximum Number of Points	16
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2. Development Characteristics

a. Development Amenities

Based on the Development schematics, as set forth in the site plan, the Authority will award two (2) points for ten or more (10) amenities in Chart 1: Common Areas with a minimum of two (2) amenities required in each of the three (3) sub-categories A,B, & C , two (2) points for five or more (5) amenities in Chart 2: Apartment Units with a minimum of two (2) amenities required in each of the two (2) sub-categories A & B , and two (2) points for three or more (3) amenities in Chart 3: Safety & Security with a minimum of one (1) amenity required in each of the two (2) sub-categories A & B. Up to a total of six (6) points can be awarded in this category. All amenities chosen by the Applicant should conform to the needs of the Development and its residents. Design Amenities will be viewed as interchangeable within a column, provided the total number of design amenities selected in each column remains the same and the minimum number of amenities required for each subcategory in each column is met.

NOTE: Specific requirements may apply for each amenity (See definitions in Appendix G).

Chart 1: Common Area Total of 10 Amenities		
A	B	C
Tenant Entertainment: Minimum of 2 Amenities	Common Area Convenience Minimum of 2 Amenities	Common Area Architectural Minimum of 2 Amenities
1. Playground	1. One Parking Spot Per Unit	1. Multiple Building Designs
2. Bike Racks or Bike Storage Lockers	2. Designated Car Wash Facility	2. Multiple Floor Plans
3. Designated Garden Area	3. Garage	3. Steel Frame
4. Fenced dog walking area	4. Carport	4. Architectural Roofing Shingles
5. Community Room	5. Enclosed Bus Stop Shelter	5. 100% Brick, stone or cement board exterior
6. Community TV	6. Comfort Conditioned Common Areas	6. Metal Roof Covering
7. Designated Walking/Jogging Path	7. Daycare Center	7. Slate Roof Covering
8. Billiards Table	8. Beauty Salon/Barber Shop	8. Sound-Proof Unit Separation Assemblies
9. Basketball Court	9. Laundry Facilities	
10. Swimming Pool	10. Manager On-Site	
11. Fenced in Tennis Court	11. On-Site Recycling Service	
12. Gazebo		
13. Picnic Area with Permanent Grill		
14. Sand Volley Ball Court		
15. Hot Tub/Jacuzzi		
16. Computer Center		
17. Exercise Room		
18. Theater Room		



Chart 2: Apartment Unit Total of 5 Amenities	
A	B
Unit Interior Architectural: Minimum of 2 Amenities	Unit Convenience: Minimum of 2 Amenities
1. Window Blinds or Curtains	1. Garbage Disposal
2. Hardwood or Tile Floors	2. Door Bells
3. Individual Porch/Patio/Balcony	3. Cable Hook-Ups
4. Walk-In Closets or closets with high/low closet organizers	4. Motion Detector Lights for Each Unit
5. External Individual Attached Storage	5. LED lighting
6. Pressure relief vents for all bedrooms, unless all bedrooms contain return air vents	6. Clothes Washer/Dryer
7. Kitchen Pantry	7. Built-In Dishwasher
8. At least 5% of the units are 3 bedrooms	8. Whirlpool Tub
9. At least 5% of the units are 4 bedrooms or larger	9. Ceiling Fan
10. Attached garage	10. Access to High Speed Internet
11. Ceiling lights in each bedroom	11. Charging outlets with USB ports
12. Coat or linen closet	
13. Kitchen cabinets with pull shelves in lower cabinets and lazy-susans in corner cabinets	

Chart 3: Safety & Security Total of 3 Amenities	
A	B
Security: Minimum of 1 Amenity	Life Safety Minimum of 1 Amenity
1. Restricted Access to Property/Gated Community	1. Emergency Pull Cord/Call Button
2. Security Camera at all Entrances	2. Fire Extinguishers
3. Site/Parking Area Lighting	3. Fire Sprinkler System (only if not required by code; see definition in Appendix G)
4. Security Cameras at On-Site Bus Stops	4. Documented Fire Extinguisher Training for Tenants conducted by a Professional in Fire Fighting
5. Intercom System/Installed Call System	5. Kitchen Fire Blanket
6. Peep Hole on Exterior Doors	6. Emergency Escape Ladders
7. Keyless door locks (ex: proximity sensor or fingerprint scanner)	7. Tenant Fire Safety Education/Training
8. Bump-Proof Entry Door Locks	8. Posted Speed Limit & "Caution Children Playing" Signs
9. Steel Entry Doors & Frames	9. Fenced-In Retaining Ponds
10. Security Alarm (Doors)	10. Emergency Lighting
11. Security Alarm (Windows)	11. Showers with a minimum area of 9 sq. ft.

Required Documentation: Completed Form A (Application)



b. Accessible or Adaptable Units

IHCDA encourages the adoption of additional accessible or adaptable units. Applicants achieving greater than minimum threshold requirements in 5% of total units in rehabilitation/adaptive reuse projects and 6% of total units in new construction projects shall be eligible for additional application points.

For purposes of this scoring category, the terms “accessible” and “adaptable” are defined as follows:

- An accessible unit must be constructed as an “Accessible” unit as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1002).
- An adaptable unit must be constructed as a “Type A” unit as defined in the International Code Council’s Accessible and Usable Buildings and Facilities Standard (ICC A117.1-2009 Section 1003).

The allocation of such application points will be designated as follows:

Accessible/Adaptable Unit Point Designation	1 Point	2 Points	3 Points	5 Points
Family Developments				
Rehabilitation/Adaptive Reuse	6.0 % - 6.9%	7.0 % - 7.9%	8.0 % - 8.9%	9.0 % or greater
New Construction	7.0 % - 7.9%	8.0 % - 8.9%	9.0 % - 9.9%	10.0 % or greater
Age-Restricted Developments				
Rehabilitation/Adaptive Reuse (without existing elevator)	7.0 % - 7.9%	8.0 % - 8.9%	9.0% - 9.9%	10.0 % or greater
New Construction or Rehabilitation/Adaptive Reuse (with existing				100%

elevator)				
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(Percentages are represented as the percentage of total proposed units classified as “accessible” or adaptable)

In formulating Accessible/Adaptable Unit percentages applied to the “Accessible/Adaptable Unit Point Designation” table, applicants must calculate accessible unit percentages as follows:

$$\frac{\text{Total Accessible or Adaptable Units in Proposed Development (In Whole Number Form)}}{\text{Total Units in Proposed Development (In Whole Number Form)}} = \%$$

Example: Rehabilitation, Age-Restricted Development: $\frac{17 \text{ Accessible and Adaptable Units}}{212 \text{ Total Units}} = 8.019\% \Rightarrow 2 \text{ points}$

Applicants are not permitted to add decimal points or apply a partial or non-whole unit metric when formulating total “accessible and adaptable units” in the fraction’s numerator nor in formulating “total units” in the fraction’s denominator. Applicants not using whole unit numbers are ineligible to receive points.

Limitations for Developments of 16 Units or Less: Applicants proposing developments of 16 units or less must implement at least 2 accessible units to be eligible for points. For proposed developments of 16 units or less, 4 application points will be awarded only if total accessible units meet or exceed 2.

Maximum Number of Points 5

c. Universal Design Features

Applicants are encouraged to adopt universal design features to the greatest extent possible beyond the minimum threshold requirement. Based on the Development schematics, as set forth in the site plan of such amenities, the applicant will be awarded points as follows:

Three (3) points will be awarded to applicants proposing to adopt a minimum of 8 universal design features from ***each*** Universal Design Column.

Four (4) points will be awarded to applicants proposing to adopt a minimum of 9 universal design features from ***each*** Universal Design Column.

Five (5) points will be awarded to applicants proposing to adopt a minimum of 10 universal design features from ***each*** Universal Design Column.

Please refer to the Threshold Section for a listing of universal design features.



Required Documentation: Completed Form A (Application)

Maximum Number of Points	5
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d. Vacant Structure

Development converts a percentage of total square footage in a 100% vacant structure (s) into rental housing or a portion for commercial use. The building must be vacant at the time of application submission. Up to 6 points will be awarded based on the percentage of the structure that is converted to affordable housing, commercial, and/or common areas as follows:

50% of the vacant structure square footage	2 point
75% of the vacant structure square footage	4 points
100% of the vacant structure square footage	6 points

If any space in the existing structure will be used for a purpose other than housing, the applicant must state what the intended use of the remainder of the vacant structure will be. Eligible structures must contain a rental housing tax credit unit in a qualified rental housing tax credit building.

For projects located in multi-story buildings, all of the floors under the ownership of the tax credit development will constitute the development total.

*NOTE: Developments eligible for points in this category are NOT also eligible for points under category g. Infill New Construction and category f. Preservation

Required Documentation: Completed Form A (Application).

Maximum Number of Points	6
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e. Development is Historic in Nature

At least 50% of the total units must be located in a building that falls into one of the categories below in order for a Development to received points in this category. Developments with one of the following will receive two points:

- A building that is listed on the National Register of Historic Places; or



- A building that is classified as a contributing resource to a district that is listed on the National Register of Historic Places, or
- A building that is individually listed on the Indiana Register of Historic Sites and Structures; or
- A building that is classified as a contributing resource to a district that is listed on the Indiana Register of historic Sites and Structures; or
- A building that received a local landmark designation by a local historic preservation commission through an ordinance; or
- A building that is classified as a contributing resource to a district that received a local landmark designation by a local historic preservation commission through an ordinance.
- A building that is not already listed on the National Register of Historic Places but that has an approved Part 1 application for Federal Historic Tax Credits and received a recommendation for approval by the Indiana Department of National Resources Division of Historic Preservation and Archaeology.

Required Documentation: Evidence for one of the above options must be provided in Tab P. In all options for points, documentation from a county interim report/sites and structures survey is not sufficient documentation of historic designation status and will not be accepted. Only one option will be accepted for points, for example, a building individually listed on the Register and is contributing to a district listed on the Register will not receive more than two points for this question in this scoring category.

- 1) For the National Register of Historic Places provide a PDF printout from the National Park Service’s searchable online database verifying the building is listed on the Register <https://npgallery.nps.gov/nrhp>; or
- 2) For the National Register of Historic Places provide a PDF printout from the National Park Service’s searchable online database verifying the building contributes to a district that is listed on the Register <https://npgallery.nps.gov/nrhp>; or
- 3) For the Indiana Division of Historic Preservation and Archaeology provide a PDF printout from the Indiana Department of Natural Resources’ Indiana State Historic Architectural and Archaeological Research Database (SHAARD) searchable online database verifying the building is listed on the State Register <https://secure.in.gov/apps/dnr/shaard/welcome.html>; or
- 4) For the Indiana Division of Historic Preservation and Archaeology provide a PDF printout from the Indiana Department of Natural Resources’ Indiana State Historic Architectural and Archaeological Research Database (SHAARD) searchable online database verifying the building contributes to a district that is listed on the State Register <https://secure.in.gov/apps/dnr/shaard/welcome.html>; or



- 5) For a building designated as a local landmark provide a copy of the local designation ordinance passed by the local historic preservation commission/board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology.
- 6) For a building contributing as a resource in a district designated as a local landmark, provide (1) a copy of a local designation ordinance passed by the local historic preservation commission/board of a Certified Local Government as designated by the Indiana Division of Historic Preservation and Archaeology and (2) include a copy of the district map from the nomination clearly identifying the property as a contributing structure or a letter from the Indiana Division of Historic Preservation and Archaeology or local historic preservation commission stating that the property is contributing to the district.
- 7) For buildings not listed on the National Register but have received an approved Part 1 application, provide a copy of the historic application and the approved Part 1 application signed by the Indiana Department of National Resources Division of Historic Preservation and Archaeology.

Developments that will utilize Federal or State historic tax credits on the residential portion of the building and have received a preliminary acceptance of a Part 2 application will receive an additional one (1) point.

Required Documentation: Submit the preliminary acceptance of the Part 2 historic tax credit application by the Indiana Department of Natural Resources Division of Historic Preservation and Archaeology or from the National Park Service’s National Register of Historic Places. Place it Tab P.

Maximum Number of Points	3
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f. Preservation of Existing Affordable Housing

Points will be awarded for up to the maximum of six (6) points in this category as follows:

- a. Six (6) points will be awarded for an Application that proposes the preservation of an existing affordable housing Development assisted with Rental Housing Tax Credits where the 15 year compliance period will/has expire(d) in the current year or earlier (the extended use agreement must still be in effect) IHEDA will review the owner’s past noncompliance, if any.

Required Documentation: A statement from the Applicant that provides the following information: a) All current Building Identification Numbers (BIN) for the Development; b) The name of the Development during the time it was a RHTC Development; and c) The address of all buildings in the Development. Place in Tab P.



OR

- b. Up to Six (6) points will be awarded for an Application that proposes the preservation of HUD or USDA affordable housing (such as project based Section 8 or other forms of HUD funding or RD 515 properties). Developments receiving a preservation priority designation from HUD or USDA will be awarded points as follows:

Developments receiving a designation of high priority	6 points
Developments receiving a designation of medium priority	5 points
Developments receiving a designation of low priority	4 points

Required Documentation: A letter from HUD or USDA that states the priority designations (high, medium, or low priority) for projects that are the subject of an Application pursuant to this Plan.

The documentation from HUD or USDA of the Development’s preservation priority designation must be placed in Tab P.

OR

- c. Four (4) points will be awarded for an Application that proposes the preservation of any other affordable housing Development.

*NOTE: Developments eligible for points in this category are NOT also eligible for points under category d. vacant structure or g. infill/new construction

Required Documentation: Third-party documentation from the entity enforcing affordable housing requirements evidencing the rent and income restrictions applicable to such property including the term of such restrictions must be submitted and placed in Tab P.

Maximum Number of Points	6
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g. Infill New Construction

Up to 6 points will be awarded to applications that meet IHCD's criteria for Infill. IHCD defines infill housing as the process of developing on vacant or underused parcels of land within existing areas that are already largely developed or previously developed. This category includes demolition and new construction projects that meet the attributes below.

For purposes of this category, the following will **not** qualify as infill housing:

- Existing agricultural land; or
- Land where agriculture was the last use and it was within the last 5 years; or
- Undeveloped Master Planned Communities; or
- Existing structures that will be rehabilitated.

To receive 6 points, the development must meet each of the following infill attributes:

Infill Attributes
The site must be surrounded on at least two sides with adjacent established development. Parks and green space area may qualify as established development, provided that they are part of a master plan or recorded instrument. IHCD will look at the entire development site for phased developments.
The site must maximize the use of existing utilities and infrastructure.
At least one side of the development must be adjacent to occupied residential development, operating commercial development, active public space, or another active community activity.

*NOTE: Developments eligible for points in this category are NOT also eligible for points under category d. vacant structure, or f. preservation of existing affordable housing.

For scattered site projects, at least 50% of the total project units must qualify as infill in order to receive points in this category.

Required Documentation: Place all documentation in Tab P.

- i. Aerial photos of the proposed site.
- ii. If an established park or green space area, documentation of such must be submitted in the application.
- iii. Documentation of zoning classification and any special uses granted/restricted over the past 5 years or tax records for the last 5 years.



h. Promotes Neighborhood Stabilization

4 points will be awarded to a proposed development that assists in the stabilization of a neighborhood by demolishing or redeveloping property that has been foreclosed, abandoned, affected by a disaster, or greyfield redevelopment.

A property will be considered “foreclosed upon” at the point that the mortgage or tax foreclosure is complete. The title for the property must be transferred from the former property owner under some type of foreclosure proceeding or transfer in lieu of foreclosure in accordance to state or local law.

A property will be considered “abandoned” when mortgage or tax foreclosure proceedings have been initiated for the property, no mortgage or tax payments have been made by the property owner for at least 90 days and the property has been vacant for at least 90 days.

A property that was affected by a disaster, such as a fire or severe storm, within the last 5 years from the time of application submission will be considered an eligible property.

Properties that were acquired for redevelopment purposes by a government entity or community organization that were foreclosed or abandoned when acquired will be considered eligible properties.

A property will be considered “greyfield redevelopment” if it was a previously developed retail or other commercial (where the primary use was non-residential) center that suffers from a lack of reinvestment due to abandonment of tenants but that has underlying utilities and paved infrastructure that allow a developer to more efficiently improve the site. To qualify as greyfield, the site must meet the following criteria:

- Must be at least 90% vacant
- Previous use must have been commercial or retail
- Site must have underlying utilities
- Site to be redeveloped must include paved infrastructure / parking area

Roads, driveways, entry access, and public rights of way do not qualify as greyfield.

Required Documentation: Place all documentation in Tab P.

- i. If “foreclosed”, copy of applicable foreclosure documents.
- ii. If “abandoned,” evidence from the mortgage lender and/or tax authority that payments have been delinquent for at least 90 days and that foreclosure proceedings have been initiated.
- iii. If affected by a disaster, documentation from a third-party confirming the event and impact on the site. The site must have been condemned or



deemed unsafe for occupancy as a result of the disaster by the appropriate authority.

- iv. For greyfield, an engineer or architect's assessment that the site was formerly commercial or retail use, that the site has underlying utilities, and that the site contains paved infrastructure that will be redeveloped.

Maximum Number of Points 4
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i. Local Redevelopment Plan

4 points will be awarded if there is an adopted redevelopment or community revitalization plan that clearly targets the specific neighborhood in which the project is located. A redevelopment or community revitalization plan may include, but is not limited to, a comprehensive plan, downtown master plan, neighborhood plan, economic development plan, etc.

The applicant may only submit one Community Redevelopment/Revitalization Plan per community. If more than one plan is submitted for the same community, the application is not eligible for points in this category. The submitted plan must include each of the following:

- i. A clearly delineated target area that includes the proposed project site;
- ii. Detailed policy goals, which must include the rehabilitation or production of rental housing;
- iii. Implementation measures along with specific, current, and ongoing time frames for the achievement of such policies and housing activities;
- iv. The proposed development project must support at least one of the goals of the redevelopment or revitalization plan; and
- v. An assessment of the existing conditions of the community.

The following are not eligible:

- i. Short-term work plans, including Stellar Strategic Investment Plans;
- ii. Consolidated plans, municipal zoning plans, or land use plans; or
- iii. Plans that do not reflect the current neighborhood conditions;
- iv. PUDs.

For scattered site projects, if not every community has a qualifying plan, points will be determined by taking the average by unit.

Required Documentation: Place all documentation in Tab P.

- i. Documentation of the process used to develop and adopt the plan;



- ii. Details regarding community input and public meetings held during the creation of the plan must be included in the application;
- iii. A copy of the entire plan must be submitted;
- iv. A map of area targeted by plan identifying location of project.
- v. A narrative listing the location and page number of all required items within the plan.

Maximum Number of Points 4

If the plan has been adopted by a local unit of government and meets above items i. through v., an additional 1 point will be awarded.

Per Section 42(m) and IRS Notice 16-77, allocating agencies must give preference to a proposed development located within a Qualified Census Tract if that development is part of a concerted community revitalization plan. Therefore, if the plan meets all of the requirements of items i. through v. above and has been adopted by a local unit of government, an additional 1 point will be awarded for a maximum of 2 additional points (1 point for adoption and 1 point for location in a QCT). If the plan does not meet the requirements above or has not been adopted, then the bonus QCT point will not be awarded. To be considered a development located within a QCT, at least 50% of the total development units must be located within a QCT.

Required Documentation: Place all documentation in Tab P.

- vi. Documentation of the process the local unit of government used to develop and adopt the plan; and
- vii. Written approval from the local unit of government verifying the adoption of the plan.

Maximum Number of Points 2

j. Federally Assisted Revitalization Award

Up to 4 points will be awarded if the proposed project is a phase or component of a:

1. Choice Neighborhoods revitalization initiative; OR
2. HUD designated Promise Zone or a Department of Education designated Promise Neighborhood; OR
3. New Market Tax Credit Development.; OR
4. Blight Elimination Program, where at least 50% of the development units or square footage is located on a site(s) that was assisted through the program; OR 2 points if

at least 25% of the development units or square footage is located on a site(s) that was assisted through the program; OR

5. Similar Federal Program that has the following components (Rental Assistance Demonstration (RAD), HOME, and CDBG do not qualify):
 - i. Be part of a mixed income or mixed use phased community with a significant market component;
 - ii. Facilitate the de-concentration of poverty; and
 - iii. Provide for community improvements or amenities, which may include but are not limited to, new or improved public infrastructure, green-space, improved transportation, quality of life enhancements, or other improvements benefiting the community.

Required Documentation: Place all documentation in Tab P.

- i. A copy of the Grant/Award Agreement, which identifies the entity receiving the grant and the amount of the grant, and additional documentation reflecting the time limits for use of the grant;
- ii. A letter from the Executive Director of the identified entity certifying that:
 - a) The housing units are an essential element of that Plan; and
 - b) The Tax Credits for the development proposed in the application are an essential component of the financing plan for the grant.
- iii. For BEP awards, evidence that the City received the award and that the proposed land was part of it.
- iv. For Promise Zone, a copy of the Certification of Consistency with Promise Zone Goals and Implementation.
- v. A copy of the HUD approved Revitalization Plan (if applicable).

Maximum Number of Points 4

k. Off Site Improvement, Amenity and Facility Investment

4 points will be awarded if an investment of resources is provided that will result in off-site infrastructure improvements within a ¼ mile of the project site(s), and/or the development of parks, green space and shared amenities, recreational facilities and improvements within a ¼ mile of the proposed project site(s) that will serve the tenant base for the subject project. The proposed improvements, amenities, and/or facilities must be completed prior to the proposed placed in service date for the project but no more than two years before the application submission date. The development cost and source of funding associated with the development of the improvements, amenities and/or facilities must be mutually exclusive of the development cost and sources of funding for the subject property. If the



development cannot move forward without the improvement, the improvement will not qualify.

For the purposes of this scoring category, improvements must be outside the footprint of the building and outside the boundary of the development parcel to qualify.

For scattered site projects, each site must have improvements within a ¼ mile to qualify.

Examples of improvements, amenities, and facility investment of resources include, but are not limited to, the following:

- i. Reconstruction of existing roads and streetscapes,
- ii. Reconstruction of vacant or blighted land with new infrastructure that promotes comprehensive revitalization such as new residential blocks and streets,
- iii. Development of parks, green space or walking trails on a master plan development site,
- iv. Development of community centers or similar facilities that promote cultural, educational, recreational, or supportive services for a community,
- v. Construction of sidewalks or streetscape adjacent to the property,
- vi. Construction of shopping or retail center adjacent to the property.

To qualify for points, the minimum cost for the improvement must meet or exceed the amount listed below based on the “Development Location” set-aside requirements defined in Section E.4 of the QAP:

Development Location Set-aside	Minimum Cost for the Improvement
Large City	\$100,000
Small City	\$50,000
Rural	\$25,000

Required Documentation: Place all documentation in Tab P.

- i. Conditional commitment of funds describing the improvements, including sources and uses and estimated timeline for completion.
- ii. Map showing a ¼ mile radius and the location and description of improvements to the site. For scattered site properties, applicant must ensure that IHEDA can determine a ¼ mile radius from each site.
- iii. A narrative, which includes how the investment will benefit the tenants.
- iv. Any improvements within a public right of way must demonstrate approval from local jurisdiction.



Maximum Number of Points 4

I. Tax Credit Per Unit

Up to 4 points will be awarded for developments that implement cost containment measures. Developments will be divided into three categories and compete against each other based on tax credit per program assisted unit.

- i. New construction
- ii. Rehabilitation
- iii. Adaptive reuse

Points will be awarded based on the following distribution. Projects with more than one construction type will compete in the category that represents the majority of the units or development square footage if units are equal.

Lowest Tax Credit Per Unit	80 th Percentile	60 th Percentile	40 th Percentile	20 th Percentile	Below 20 th Percentile
Points	4	3	2	1	0

Maximum Number of Points 4

m. Tax Credit Per Bedroom

Up to 4 points will be awarded for developments that implement cost containment measures. Developments will be divided into three categories and compete against each other based on tax credit per bedroom (only counting bedrooms in program assisted units).

- i. New construction
- ii. Rehabilitation
- iii. Adaptive reuse

Points will be awarded based on the following distribution. Projects with more than one construction type will compete in the category that represents the majority of the units or development square footage if units are equal.



Lowest Tax Credit Per Bedroom	80 th Percentile	60 th Percentile	40 th Percentile	20 th Percentile	Below 20 th Percentile
Points	4	3	2	1	0

For the purposes of this calculation, an efficiency unit will count as a one bedroom unit.

Maximum Number of Points 4

3. Sustainable Development Characteristics

a. Building Certification

Up to 2 Points will be awarded if the Development commits to going beyond the minimum green standards and all buildings register and receive one of the following certification(s). For projects with multiple buildings, all buildings must meet one of the eligible certifications below to qualify for 2 points.

Certification	Points
LEED Silver Rating	2
Silver Rating National Green Building Standard	2
Enterprise Green Communities	2
Equivalent under a rating for systems that are accredited by the American National Standards Institute may earn equivalent points for equivalent end results of the above listed items.*	2

***applicants wishing to use an alternative to those listed must consult with IHCD prior to application to verify if that system will be accepted**

Required Documentation: Completed Form A (Application). The Green Professional chosen for the project must be part of the design team (but a separate person from the project architect or engineer) and that person must acknowledge all building certifications that are committed to in the team member’s affidavit. Place in Tab J.

Maximum Number of Points 2



b. Water Conservation

To promote sustainable water use practices, up to 1 point may be earned for the integration of the following water conservation methods.

1 point will be awarded for installing one of the following types of high efficiency toilets:

Ultra low flush (</=1 gal per flush)	1 Point
Dual Flush toilets	1 Point

Required Documentation: Completed Form A (Application). The Green Professional chosen for the project must be part of the design team (but a separate person from the project architect or engineer) and that person must sign off on all energy efficiency/water conservation items that are committed to in the application. Place in Tab J.

Maximum Number of Points 1

c. Desirable Sites

Desirable sites, which are or will be, located in close proximity and are accessible to desirable facilities tailored to the needs of the development’s tenants, such as Private Service, Public Service, and/or Health Related Entities will be awarded points. For scattered site projects, points will be calculated by taking the average by unit.

Location efficient projects	3 Points
Transit oriented development	2 Points
Opportunity index	6 Points
Undesirable Sites	-1 Point per undesirable feature
Total Points Possible	11 Points

Location Efficient Projects

Promote projects that provide nearby access to healthy food options, community facilities, services, healthcare and retail centers.



Up to 3 points will be awarded to projects that are located within ½ mile walking distance of at least 3 facilities from the list below (from a minimum of 2 categories) or within 1 mile walking distance of 5 facilities from the list below (from a minimum of 2 categories). One of the facilities must be a store with fresh produce, such as a supermarket or grocery store to qualify for the maximum points in this category. Developments without access to fresh produce may receive partial points.

Stores with fresh produce must:

- **Be currently established**
- **Have a physical location**
- **Have regular business hours**

For the purposes of this scoring category, farmer’s markets, produce stands, gas stations, convenience stores, and drug stores do not qualify as stores with fresh produce.

Civic or Community Facilities	Services	Retail	Healthcare
Licensed childcare	Bank	Supermarket	Pharmacy
Community or recreation center	Restaurant, café, diner	Other food stores with fresh produce (as defined above)	Doctor’s or nurse practitioner’s office
Entertainment venue	Laundry or dry cleaner	Clothing retail	Optometrist
Education facility (including K-12, university, adult education, vocational school or community college)	Gym, health club, exercise studio	Other retail	Dentist
Cultural arts facility (museum, performing arts theater, etc.)	Licensed adult or senior care		Physical therapy office
Police or Fire Station			Clinic
Public library			Hospital
Public park			
Post office			



Government office that serves public onsite			
Social services center			

Transit Oriented Development

Award 2 points if a project is located within ½ mile of fixed transit infrastructure.

- “Fixed transit infrastructure” is defined as light rail station, commuter rail stations, ferry terminals, bus rapid transit stations, streetcar stops, bus stops or major bus transit centers.
- If the fixed transit infrastructure does not yet exist, the transit investment must be planned, approved and funded at the time of application. Transit investments that have been funded but not completed will be considered. Verification must be provided.
- Rural and small city sites may qualify for this category if applicants can show documentation of an established point to point transit service that provides pick up service to within a ¼ mile of the site.

Opportunity Index:

The proposed Development Site may earn up to 6 points (with 1 point for each feature) for proximity to growth opportunities such as quality education institutions and livable wages. Poverty rates and household income will be based on the most recent data from the US Census (<http://www.census.gov/did/www/saipe/index.html>).

As of the application due date, the Development is located within:

- A county at the top quartile for median household income in the state and not within a QCT.
- A county at the bottom quartile for poverty rate in the state and not within a QCT.
- A county that has an unemployment rate below the State average (<http://www.stats.indiana.edu/maptools/laus.asp>).
- A county with a ratio of population to primary care physicians of 2,000:1 or lower (<http://www.countyhealthrankings.org/app/indiana/2017/measure/factors/4/data>)



- A development that is within 1 mile of a university, college, trade school, or vocational school.
- A development that is within 1 mile of one of the 25 largest employers in a county
<http://www.hoosierdata.in.gov/buslookup/BusLookup.aspx>
- 1 point will be deducted if the proposed site falls within a census tract that is defined as a Racially/Ethnically Concentrated Area of Poverty (“R/ECAP”) by HUD’s Affirmatively Furthering Fair Housing mapping tool at <https://egis.hud.gov/affht/#>.
 - This 1 point deduction will not apply to developments competing in the Preservation set-aside.
 - This 1 point deduction will not result in negative total points under the opportunity index scoring category. The lowest an application can score under opportunity index is zero.

Undesirable Locations:

When mapping the locations of community facilities and services for the above location efficiency points, all undesirable facilities must be included as well. One point may be deducted per undesirable feature present if the proposed development is found to be within ½ mile of facilities that may pose a public or environmental health risk. The following is a non-exhaustive list of facilities for which 1 point may be deducted if in close proximity.

*If the development includes the remediation of these issues (including brownfield or greyfield redevelopment) points will not be deducted.

Undesirable Locations/Facilities are defined as any location that produces objectionable noise, smells, excessive traffic, hazardous activity, etc., including but not limited to: junkyards, hazardous chemical factories, hazardous heavy manufacturing factories, power plants or stations, water/sewage treatment facilities, petroleum or other chemical storage, and railroads. The volume of daily train traffic can be determined by visiting the following websites:

- <http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/Xingqryloc.aspx>
- <http://safetydata.fra.dot.gov/officeofsafety/publicsite/crossing/crossing.aspx>

Other undesirable conditions/facilities not on the list above but noted in the market study may also result in negative points.



Required Documentation: Completed Form A (Application). A site map indicating the specific locations of each desirable facility/activity, as well as, all undesirable facilities/activities (i.e. junkyards, hazardous, chemical or heavy manufactures, etc.) must also be submitted. The map must contain a key stating the type of facility/activity identified, and must include the following:

- i. Location of site including an indication of major access roads;
- ii. Indication of distances within a ¼ mile and ½ mile radius indicated on the map;
- iii. Areas of residential development adjacent to or near the site;
- iv. Indication of any significant industrial or commercial development; and
- v. All desirable facilities or activities.

Scattered site developments must submit the required information for each location. Points will be awarded based on the average for each unit.

NOTE: If map, key and photos containing the above requirements are located within the market study, no additional map is required. Please indicate the page number(s) the information can be found within the market study on the Application’s self-score sheet Notes section (Form A – Application).

Maximum Number of Points	11
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4. Financing & Market

a. Leveraging Capital Resources

The Development has received a firm commitment that does not require any further approvals for non-IHCDA public or private funds to be used as capital funding to specifically enhance and/or create significant cost savings for the Development’s capital budget. For the purposes of this category, a tax abatement will also qualify.

“Public funds” include federal, state, or local government funds, including the outstanding principal balances of prior direct federal debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, funds from a local community foundation, funds already awarded under the Affordable Housing Program of the Federal Home Loan Bank (AHP), or waivers resulting in quantifiable cost savings that are not required by federal or state law.

Public funds structured as soft loans must have terms of at least 15 years, and below market interest rates, interest accruals, residual receipts payments or other preferred terms for at least the first fifteen years of their terms. The amount of cost savings will be based on the difference between the actual interest rate and the applicable federal rate

Points will be awarded based on amount of funding/total development cost:

% of Total Development Cost	Point(s)
1%-2.49	1
2.5%-3.99%	1.5
4%- 5.49%	2
5.5% -6.99%	2.5
7%-8.49%	3
8.5%-9.99%	3.5
10% or greater	4

For purposes of this category, local government funding (i.e. HOME, etc.) that is loaned to a Development at the applicable federal interest rate will NOT be considered as enhancing or creating a significant cost savings for a Development and will not be considered when determining the amount of local government funding to receive points.

Required Documentation: A letter from the appropriate authorized official approving the funds. The letter must include: 1) the approved funding specifically for the proposed Development; and 2) the amount of funding (if tax abatement, the local unit of government must estimate the monetary amount).

If the principal balances of any prior publicly funded or subsidized loans are to be assumed in the course of a proposed acquisition, verification of approval of the loan assumption or other required procedure by the agency initially approving the subsidy will be required.

Land and building values must be supported by an independent, third-party appraisal.

If claiming loans at below market interest rate, documentation of the amount saved based on the difference between the actual interest rate and the applicable federal interest rate must be provided.

NOTE: An inducement resolution for bond volume will NOT be sufficient documentation to receive points. Place in Tab B.

Maximum Number of Points	4
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b. Non-IHCDA Rental Assistance

Developments that have received a commitment of non-IHCDA funded rental assistance will receive 2 points. The commitment can be conditional based on receipt of the tax credits.

The rental assistance must meet the following criteria:

- Must be project-based rental assistance.
- The term of the rental assistance agreement must cover the 15 year compliance period or have options for annual renewals.
- The rental assistance agreement must cover at least 20% of the units.

Required Documentation: Commitment or conditional commitment letter from the funding agency. The letter must demonstrate that the rental assistance will meet all of the requirements outlined above. Place in Tab B.

Maximum Number of Points	2
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c. Previous 9% Tax Credit funding within a Local Government

If a Development’s proposed site does not fall within the boundaries of a Local Government in which there has been a 9% RHTC allocation within the last three calendar years as of the application due date, the proposed Development will receive three (3) points. If a Development's proposed site falls within the boundaries of a Local Government in which there has been a 9% RHTC allocation within the last three calendar years, the proposed development will receive points corresponding to the total number of RHTCs units financed within the boundaries of that city/town. For projects in multiple cities/towns, points will be calculated by taking the average by unit.

Total Number of RHTC Units	Points	Total Number of RHTC Units	Points
0 units	3.0 pts	126-150 units	1.50 pts
1 – 25 units	2.75 pts	151-175 units	1.25 pts
26-50 units	2.50 pts	176-200 units	1.00 pts
51-75 units	2.25 pts	201-225 units	0.75 pts
76-100 units	2.0 pts	226-250 units	0.5 pts
101-125 units	1.75 pts	251 or more units	0 pts



Maximum Number of Points	3
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d. Census Tract without Active Tax Credit Developments

If the proposed project is in a Census Tract without any active RHTC developments (9% or 4%) of the same occupancy type (age-restricted, family, supportive housing, or assisted living), the project will receive three (3) points. Integrated supportive housing developments will be counted as supportive housing for purposes of this scoring category.

For purposes of this scoring category, an active tax credit development is defined as a development that is in its 15 year compliance period or that has received a reservation of credits but has not yet placed-in-service. For projects in multiple census tracts, points will be calculated by taking the average by unit.

Required Documentation: Completed Form A (application).

Maximum Number of Points	3
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e. Housing Need Index

The proposed Development Site may earn up to 3 points (with 1 point for each item below) if the area to be served demonstrates a need for affordable housing units.

Points will be awarded if as of the application due date, the Development is located within:

- A county experiencing population growth from migration (excluding births and deaths), based on data from 2010-2016 American Community Surveys, as listed below. A county is included in this list if it (1) experienced positive growth between 2010 and 2016 and (2) experienced positive growth between 2015 and 2016. 1 point.

Allen	Harrison
Bartholomew	Hendricks
Boone	Johnson
Clark	Monroe
Decatur	Porter
Floyd	Tippecanoe
Hamilton	Warrick
Hancock	

- A county in which 50% or more of renter households are considered rent burdened, based on [HUD's Comprehensive Housing Affordability Strategy](#) (CHAS) data. Rent burdened will be defined as paying greater than 30% of household income on housing. 1 point.

- A county with less than 50 units for every 100 extremely low-income (30% AMI) renter households per the “Mapping America’s Rental Housing Crisis” tool at <http://apps.urban.org/features/rental-housing-crisis-map/>. Developments competing in the Workforce Housing set-aside are not eligible for a point under this subcategory since those developments will not create units that are rent-restricted at 30% AMI. 1 point.

Maximum Number of Points	3
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f. Lease Purchase

Developments that will offer homeownership opportunities to qualified tenants after the initial 15 year compliance period (see IRS Rev. Ruling 95-49) will be eligible for up to 2 points. These points will be available only for single family, townhouse or duplex units.

To qualify for these points, 50% or more of the units in the proposed development must be structured as lease purchase units and meet these requirements. Developments that are electing to be age-restricted or that are competing in the Housing First set-aside are not eligible for these points. In addition, developments must meet the bedroom size requirements outlined below.

1 point will be awarded to developments that meet the lease purchase requirements above in which at least 50% of the lease purchase units are three bedroom units or larger. Alternatively, an additional 1 point (for a total of 2 points in this category) will be awarded to developments in which at least 75% of the lease purchase units are three bedroom units or larger.

Applicants must have a viable homeownership strategy for residents who inhabit the units during the compliance period. Appropriate supportive services must also be provided for the residents. Please refer to the Compliance Manual Part 6.8.D (Schedule A) for additional Lease Purchase Program requirements.

Required Documentation: The following must all be placed in Tab R: 1) A detailed outline of the lease-purchase program. The plan must include a limited partnership ownership exit strategy. The strategy must incorporate an exit strategy, homeownership counseling and a minimum amount of funds set-aside by the owner to assist the resident in the purchase; and 2) the lease-purchase agreement, signed and agreed to by all parties, with the non-profit organization that will implement the lease-purchase program.

Maximum Number of Points	2
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5. Other

a. Certified Tax Credit Compliance Specialist

1) Management: Points will be awarded if the Management Entity contact identified in the Development Contact page in Form A has been certified as a tax credit compliance specialist under the following certified trainings. Property management consultants or subcontractors do not qualify as an eligible Management Entity. The Management Entity contact identified in Development Contact page in Form A must serve in a supervisory capacity and must be a different person than the designated Owner or Developer contact.

1 point will be awarded for the first certification and 1 point will be awarded for a second certification with a maximum of 2 points. To obtain 2 points, the certifications must be held by the same person who is the designated contact per Form A.

2) Owner: 1 point will be awarded if the owner(s) has been certified as a tax credit compliance specialist under the following certified trainings. An owner is defined as a principal of each general partner identified in the owner information chart within Form A. For non-profit organizations, the executive director/president will be considered the owner.

Certification	Sponsoring Organization	Website
Certified Credit Compliance Specialist (C3P)	Spectrum	www.spectrumseminars.com
Tax Credit Compliance Specialist (TaCCs)	Quadel	www.quadel.com
Site Compliance Specialist (SCS), National Compliance Professional (NCP), or National Compliance Professional- Executive (NCP-E)	Housing Credit College	www.housingcreditcollege.com
Housing Credit Certified Professional (HCCP)	National Association of Home Builders	www.nahb.org
Specialist in Housing Credit Management® (SHCM®)	National Affordable Housing Management Association (NAHMA)	www.nahma.org
Tax Credit Specialist (TCS) or (eTCS)	National Center For Housing	www.nchm.org



	Management (NCHM)	
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If a certification requires annual renewals, the certification must be in current standing at the time of application submission in order to qualify for points.

Required Documentation: Provide copies of the certification(s) in Tab S.

Maximum Number of Points	3
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- b. Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Federal Disadvantaged Business Enterprise (DBE) Participation, Veteran-Owned Small Business (VOSB), and Service Disabled Veteran Owned Small Business (SDVOSB)

Minority Business Enterprise and Women Business Enterprise, including DMBE (Disadvantaged Minority Business Enterprise), and (Disadvantaged Woman Business Enterprise) and DMWBE (Disadvantaged Minority Woman Business Enterprise), means as an individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are: (a) United States Citizens and (b) Members of a racial minority group or female in gender as evidenced by certification from the Indiana Department of Administration Minority & Women’s Business Enterprise Division or the Indiana Minority Supplier Development Council.

DBEs are for-profit small business owned or controlled by socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. The Indiana Department of Transportation (INDOT) is the sole certifying agency for the Indiana DBE Program.

The Center for Veteran Enterprise maintains the Department of Veterans Affairs (VA) database of service-disabled Veteran owned small businesses (SDVOSB) and Veteran-owned small businesses (VOSB) called the Vendor Information Pages (VIP). The VIP database is accessed via www.VetBiz.gov. CVE performs the verification process for small businesses that self-represent themselves as Veteran owned and controlled called the VA VOSB Verification Program.

“Owned and controlled” means having for: (i) owners and developers: (a) ownership of at least 51% of the enterprise (stock of a corporation; interest in a limited liability company; or general partner of a limited partnership); (b) control over the management and active in the day to day operation of the business; (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership; and (d) materially participates in the Development or management of the Development; or (ii) contractors and



management entities: (a) ownership of at least 51% of the enterprise (stock of a corporation; interest in a limited liability company; or general partner of a limited partnership); (b) control over the management and active in the day to day operation of the business; and (c) an interest in the capital, assets and profits and losses of the business proportional to the percentage of ownership. Points will be awarded with one (1) point per certification submitted. Points will be awarded as follows:

*Management Entity must have control over all management activities for the Development. The management agent listed on the application must be used by the owner of the Development for at least two years after Development’s completion unless the agent is guilty of material non-performance of duties. Upon notification to the Authority, a substitution of management agent prior to the 2 year period may be permitted in the sole discretion of the Authority.

A non-profit entity is eligible to receive points as an Owner/Developer, General Contractor, or Management Entity if a minimum of fifty-one percent (51%) of the members of the Board of the Directors are minorities, females, or persons with disabilities as evidenced by the organization’s By-Laws, Charter, or Articles of Incorporation. Furthermore, the organization must be a 501(c)(3) tax-exempt nonprofit organization which is also serving as the applicant, sponsor, or developer for the project.

Firm/Entity	1% - 4.99% % of Total Development Cost	5% of Total Development Cost
Professional Services or General Contractor	.5 point	1 point

Firm/Entity	4% - 7.99% of Total Development Cost	>8% of Total Development Cost
Sub-contractors	.5 point	1 point

Firm/Entity	
Owner/Developer, or	1 point
Management Entity (minimum 2 year contract)	1 point



Eligible Certification Summary Table		
Certification	Certifying Agency	Website
MBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
	Indiana Minority Supplier Development Council	http://imsdc.org
WBE	Indiana Department of Administration	http://www.in.gov/idoa/2352.htm
DBE	Indiana Department of Transportation	http://www.in.gov/indot/2748.htm
VOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/
SDVOSB	U.S. Department of Veterans Affairs	http://www.va.gov/osdbu/

Required Documentation: Completed Form A.

The owner will be required to provide all applicable contracts and certifications at the time of final application which demonstrate the commitment of percentages has been met.

Maximum Number of Points	4
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c. Unique Features

The Development has unique features that contribute to the Development of affordable housing in the community where the Development is located. This may include the unit and common area amenities, financial structure, community support, location, and/or services offered to all residents. Points are awarded relative to other Developments being scored during each Application cycle and are awarded in IHEDA's sole and absolute discretion. The following chart sets forth the anticipated percentage of applications that will receive points using a maximum of 6 points.

% of Apps.	5%	6%	8%	10%	13%	16%	13%	10%	8%	6%	5%
Points	6	5.5	5	4.5	4	3.5	3	2.5	2	1.5	1



Required Documentation: IHCD will use the Narrative Summary (which should include a unique features section) submitted for the proposed Development and other information submitted within the application to determine points awarded. Place in Tab A.

Maximum Number of Points	6
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d. Tenant Investment Plan

Points in this category will be awarded based on the overall Tenant Investment Plan in regards to each level listed. Programs must have a combination of Level 1, 2 **and** 3 to be eligible to receive the maximum of six (6) points.

Level 1 – This level provides goods or services as a tenant incentive and awareness of programs and assistance offered in the community. Applicants are encouraged to network with local businesses and/or service agencies to offer unique but valuable incentives to current and/or future tenants.

Services within this level are 0.25 points each.

Level 2 – This category may target services for more specific tenant needs such as education, classes or services that will help tenants live a more self-sufficient and healthy lifestyle. This level requires ongoing tenant participation and/or program management.

Services within this level are 0.5 points each.

Level 3 – This category offers extensive services to provide tenants with assistance, programs and tools to maintain and/or improve their lifestyle within the community. This category requires both extensive tenant participation as well as management maintenance.

Services within this level are 1 point each.

Tenant Investment Plan Commitments		
Level One Services	Level Two Services	Level Three Services
.25 Points per Service	.5 Points per Service	1 Point per Service
Food Pantry Referral	Financial Literacy	Transportation
Clothing Pantry Referral	Computer Training	Parenting Classes/ Early Childhood Development
2-1-1/ Information & Referral	Credit Counseling	Light Housekeeping
Smoking Cessation	Nutrition Classes	Outpatient Rehab
Discount Program	Exercise Classes	Physical Therapy



Coupons to Local Public/ Private Facilities	Resume Building	Medication Delivery
Blood Pressure Screening	GED/Adult Education	Home Healthcare
Music Ministry	Art Classes	Dental Services
Writer's Group	Food Cultivation or Preparation	Assisted Living
Stress Management	Sports League	Alzheimer's Care
Quarterly Resident Meetings	Tax Preparation Assistance	Vocational Rehab Services
Smart Use Training	Medicaid Waivers	Adult Daycare/Eldercare
Holiday Events	Animal Therapy	Substance Abuse Treatment
Recycling Program	Employment Services	Case Manager
Resident Liaison	Meals on Wheels	TIP Coordinator
Residents Association	HIV Counseling, Testing & Education	Utility Assistance
Mentor Program	Family Caregiver Support Program	
Monthly Development Newsletter	Symptom Management	
Virtual Bowling/Golf League		
Monthly Activities Program		
Neighborhood Watch Program		
Neighborhood Stabilization Program		

All services chosen by the Applicant should conform to the needs of the Development and its residents. Services will be viewed as interchangeable within a column, provided the total number of services selected in each column remains the same.

Developments that planning to incorporate services not referenced above may merit consideration for scoring under unique features at IHCD's discretion.

REQUIRED DOCUMENTATION: Completed Form A. Evidence of the specific services selected, including copies of service agreements, must be submitted with the project's request for the issuance of Form 8609.

e. Integrated Supportive Housing

Developments proposing to create Integrated Supportive Housing, defined as housing in which **no more than 25%** of the units, but no less than 7 units, are designated as supportive housing for persons experiencing homelessness, will receive up to 5 points. Developments proposing that 100% of the units will be supportive housing are eligible to compete in the Housing First Set-aside but are **not** eligible for points in this evaluation category.

To be eligible for the maximum 5 points, applicants must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations applying for RHTC for the purpose of creating supportive housing. Initial drafts of tenant outreach and engagement strategies, tenant selection policies, property management plans and service plans must be completed as part of the Institute process and prior to submission of a RHTC application. Participation in the Institute is based on a competitive RFP selection process.

Developments must meet the following criteria to be eligible for the maximum 5 points:

1. Applicant must successfully fulfill all requirements of the Indiana Supportive Housing Institute for the specific development for which they are applying. In order to demonstrate that all Institute requirements have been met, the applicant must obtain a letter from CSH certifying that:
 - i. The team attended all Institute sessions; and
 - ii. CSH has reviewed the proposed development, operating, and service budget, tenant selection plan, operation plan, and supportive service plan. The development team must submit their draft budgets and plans to CSH 45-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - iii. Project concept is aligned with Institute goals, including target population and use of the Housing First model.
2. Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from completion of Institute until at least the end of the first year of occupancy). A copy of the MOU must be provided with the RHTC application.
3. Applicant must enter into an MOU with each applicable supportive service provider. A copy of the MOU(s) must be provided with the RHTC application.

4. Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. If applicant is applying for Project Based Section 8 through IHCD, Form O must be submitted.

IHCD will award partial points (2 points) to developments that meet the above definition of integrated supportive housing but that were not developed through the Indiana Supportive Housing Institute. However, the supportive housing team (developer, management company, and service provider) must all have completed a previous Institute in Indiana.

Developments must meet the following criteria to be eligible for 2 points:

1. The applicant must obtain a letter from CSH certifying that:
 - i. The primary team members (developer, management company, and service provider) have all completed a previous Indiana Supportive Housing Institute; and
 - ii. CSH has reviewed the proposed development, operating, and service budget, tenant selection plan, operation plan, and supportive service plan. The development team must submit their draft budgets and plans to CSH 45-90 days prior to the tax credit application submission deadline in order to allow time for review and comments; and
 - iii. Project concept is aligned with IHCD supportive housing goals, including target population and use of the Housing First model.
2. Applicant must enter into an MOU with CSH for ongoing technical assistance (to be provided from reservation of credits until at least the end of the first year of occupancy). A copy of the MOU must be provided with the RHTC application.
3. Applicant must enter into an MOU with each applicable supportive service provider. A copy of the MOU(s) must be provided with the RHTC application.
4. Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, applicant must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. Applicants that have not completed the Institute for the specific project for which they are applying are NOT eligible to request IHCD Project Based Section 8.



Required Documentation: Application must include the following items placed in Tab O:

- i. CSH letter certifying completion of the Institute (if eligible for the full 5 points) or previous Institute completion (if eligible for 2 points), review of applicable plans, and conformance with Institute goals/ the Housing First model; and
- ii. Copy of executed CSH MOU; and
- iii. Copies of all applicable service provider MOUs; and
- iv. Documentation of subsidy commitments or narratives as described in item #4 above; and
- v. If applicable, Form O to apply for IHCD Project Based Section 8. Developments eligible for partial points may not request IHCD project based vouchers.

Maximum Number of Points	5
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f. Smoke-Free Housing

3 points will be awarded to developments that commit to operating as smoke-free housing. In order to receive points, the application must include a smoke-free housing policy that includes (at a minimum) the following items:

- Definition of smoking; and
- Definition of who the rule applies to (not only residents but also their guests on the property, staff, etc.); and
- Explanation of where smoking is prohibited on the property. Smoking must be prohibited in individual units and all interior common space. The plan may either establish the entire property as smoke-free or identify a designated smoking area on the property. A designated smoking area must not be within 25 feet of any buildings; and
- Explanation of how smoke-free rules will be communicated and enforced; and
- If the development is the preservation of existing housing that is not currently smoke-free, then the plan must include an explanation of how the property will transition to a smoke-free environment; and
- Draft smoke-free housing lease addendum that will be signed by all households.

IHCDA recommends the American Lung Association of Indiana’s “Smoke Free Housing Toolkit” as a resource for creating a smoke-free housing policy. See <http://insmokefreehousing.com> for more information.



Required documentation: Smoke-free housing policy that meets the requirements outlined above. Place in Tab TBD

Maximum Number of Points	3
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g. Community Participation

Two points (2) will be awarded if the applicant, owner, or developer is a member of the Board of Directors of a 501(c)(3) nonprofit organization within the State of Indiana that has been in existence for at least one year from the time of application submission. An owner is defined as a principal of each general partner identified in the owner information chart within Form A. The applicant and developer is defined as the contact identified in the Development Contact page within Form A.

The nonprofit must have affordable housing, community development, or economic development as one of its primary purposes. To qualify, the nonprofit organization on whose Board the individual serves cannot be part of the development team for the proposed project.

Required Documentation: Completed Form A, a current list of board members, and copy of the organization’s by-laws and articles of incorporation, and a copy of the IRS letter confirming 501(c)(3) status. Place in Tab C.

Maximum Number of Points	2
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h. Technical Correction Period

During the funding round and after IHCD’s review of Threshold for each Application, IHCD will award bonus points for applications that have 2 or less technical corrections as indicated below:

Number of Technical Corrections	Bonus Points
0-1	4
2	2

Applications that contain a technical correction will be charged a \$300 resubmission fee for each technical correction. Applications reviewed during the Threshold period and found to have five



(5) or more Technical Corrections after being given the opportunity to respond will be returned and withdrawn from the funding round.

Applications that do not pass Threshold on initial review because of technical errors or incomplete information will be provided an opportunity to submit additional information through the following process. :

- 1) IHCDCA will contact the Applicant and specify the items where the Application failed Threshold review;
- 2) The Applicant will be allowed no more than fourteen (14) calendar days to provide additional information to IHCDCA for the Application to pass Threshold;
- 3) Information may be emailed or uploaded to the FTP site, unless IHCDCA requests original documents;
- 4) Once information has been received, IHCDCA will NOT respond with the status of the application or the additional information other than to verify its receipt;
- 5) Clarification of documentation that has already been provided in the Application will still be eligible for points in this category as long as no additional documentation is required for the Application to pass Threshold, in the Authority's sole discretion;
- 6) No Applicant will be allowed to submit additional documentation during the Technical Correction Period to score points in any point scoring category;
- 7) IHCDCA, in its sole discretion, will determine if the additional documentation submitted during the Technical Correction Period is adequate for the Application to pass Threshold.
- 8) The Correction Period will apply to those Applications applying for HOME and Development Fund. However, they will not be subject to a four (4) point reduction if the technical correction is associated with a requirement identified in Schedule E or Schedule J.

Maximum Number of Points	4
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i. Lack of Progress on Issuance of Form 8609

If any Applicant, Owner, and/or Developer has received an RHTC award for a different Development(s) in a previous round and this Development ("Delayed Development") was not issued IRS Form 8609 within 36 months of the date of the RHTC Carryover, any application(s) submitted during the round may be assessed a five (5) point penalty (to be



deducted from the total score), UNLESS the Applicant, Owner, and/or Developer has since received Form 8609 for the Delayed Development AND received Form 8609 on at least one (1) OTHER Development within 36 months of its date of Carryover subsequent to the Application Date of the Delayed Development.

Any Applicant, Owner, and/or Developer representing a Delayed Development may continue to receive the penalty on each subsequent round in which they have an application(s) submitted until they have fulfilled the requirements above.

H. Miscellaneous

The Authority will make all reasonable attempts to reserve all of its Rental Housing Tax Credits in one (1) scheduled Application and Reservation cycle. However, a wait list may be formed from those applications that did not receive a preliminary reservation of credits in the main round. If RHTCs become available the Authority, in its sole and absolute discretion, may make a reservation announcement for applications on the wait list being awarded a preliminary reservation of Rental Housing Tax Credits according to ranking of the wait list and funds available.

The Authority in its sole discretion may use a portion of the 10% IHEDA Set-Aside to hold an independent reservation round outside of the annual round. A “Request for Proposal” (RFP) will be released notifying the public, if the Authority decides to exercise its discretion to hold a reservation round outside of the annual rounds identified within the Qualified Allocation Plan.

1. Application Dates

Dates for the rounds are as follows:

2018 and 2019 Annual Rental Housing Tax Credit Round	
Application Deadline	Anticipated Reservation Date
November 6, 2017, 5:00 PM Eastern Time	February 22, 2018
July 30, 2018, 5:00 PM Eastern Time	November 15, 2018



2018 and 2019 Annual Private Activity Bond Round	
Application Deadline	Anticipated Reservation Date
N.A. – Open Application Round	90-120 days from the Application submission (this may be longer during the 9% application round)

2. Fees

All fees should be made payable to IHCD. If a check is returned for insufficient funds, the application will be immediately denied.

- a. All Applicants must submit a non-refundable Application fee with each Application as a condition of having the Development considered. Application fees for 2016 and 2017 are as follows:

RHTC Application Fee	IHCD Supplemental Application Fee (HOME or Development Fund)
\$3,000 (if the proposed project contains sites in different jurisdictions, a \$500 fee will apply for each additional jurisdiction)	\$750 each

- b. Conditional Commitment Reservation Fee

Applicants receiving a reservation of RHTCs for a proposed Development from the Authority must pay a non-refundable reservation fee to the Authority within thirty (30) days after the date of a Conditional Commitment. This fee is payable in addition to the Application fee and equals the greater of six and half percent (6.5%) of the annual amount of RHTCs for the Development or \$15,000. For example, if a Development is to receive \$100,000 of RHTCs annually, then the Applicant must pay a reservation fee of \$15,000.



c. Additional Fee(s)

The Authority will assess the Development and/or Applicant the reasonable costs (including any costs and fees it may incur) for additional or extraordinary services requested by or required of any Applicant, Owner or Development. All such assessments must be paid prior to any final allocation of RHTCs (i.e. the issuance of IRS Form 8609) or before any subsequent Application will be considered, whichever should first occur.

The following is a fee schedule for typical services; however, this schedule is not all inclusive:

Fee Amount	Description of Service
\$300	Resubmission fee for each technical correction identified in the initial application.
\$1,000	Request for changes in the characteristics of the Development, such as unit type, distribution, or targeting, or for changes to scoring criteria.
\$500	Request a waiver for each Additional Threshold Requirement of the Authority. This fee must be paid at the time of request.
\$1,000	Request an extension to any deadline.
\$1,500	Request for issuance of amended IRS Form(s) 8609 due to an error in the submission of final Allocation documentation
	Request for an amended Carryover Allocation resulting from a change in the building identification numbers or other modification (i.e. legal description errors, etc.).
\$1,500	Request for changes in the ownership structure; or for request for extensions for meeting special conditions set forth in the Reservation/Conditional Commitment Letter.
	Request to modify any IHEDA legal documents located in the QAP that require involvement of IHEDA counsel.



The fee for the above services must be included with the request and must be received before IHCD will proceed with its review/process.

From time to time IHCD may set deadlines for particular Developments to submit additional documentation during the IRS Form 8609 review process. A written warning will be given to the Applicant, Owner, and/or Developer once a deadline is missed with no response. However, a \$10 per day fee may be assessed to the Applicant, Owner, and/or Developer for any additional deadlines missed during the IRS Form 8609 review process for that Development.

3. Use of forms

The Authority requires the use of the forms included in the Forms section of this QAP. Any deviations from or changes to the language may revoke the Rental Housing Finance application and/or award. Owners who have received an allocation in prior years must use the Final Application Form.

4. Conditional Commitments

If an Applicant receives a reservation of Rental Housing Financing, the reservation is subject to the following conditions, which must be timely completed and satisfied:

- a. Payment to the Authority, in good funds, of the required nonrefundable reservation fee for the Development within 30 business days from the date of the Conditional Commitment.
- b. Pursuant to the Application, the items listed below must be timely submitted to and approved by the Authority within one hundred fifty (150) days after the letter notifying the Owner of conditional reservation:
 - 1) An ALTA (or ILTA) survey;
 - 2) Building Permit or Documentation of Status Approval;
 - 3) Site Plan Approval by Locality;
 - 4) Construction Contract;
 - 5) Documentation as to the Percent Completion of Plans and Specifications;
 - 6) State Approval of Plans & Specifications;
 - 7) Federal I.D. Number of Ownership Entity;
 - 8) Development Agreement with Fee Structure;



- 9) IHEDA name and logo prominently displayed on signage located on the development site during construction;
- 10) Certification the Owner has obtained a username and password at www.ihedaonline.com
- 11) Monthly Development updates will be required as a condition of the Conditional Commitment;
- 12) The Owner must demonstrate that an adequate amount of funds which, together with its financing, will be sufficient to complete the construction and/or rehabilitation of the Development.
 - a. Equity letter of interest submitted by an Applicant in support of the Applicant's application must contain a representation and acknowledgment from the equity investor that: (i) such investor has reviewed the same application and market study submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates; (ii) such investor expressly acknowledges that the Development will be subject specifically to the "40-60" or "20-50" set-aside, and extended use restriction elections made by the Applicant; (iii) the investor has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; (iv) any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan; and (v) the estimated dollar amount of equity to be provided to the Development.
- 13) The Owner must demonstrate that the Development, Development Owner and all other members of the Development Team (including, without limitation, the construction contractor and management agent) are and shall continue to be in compliance with all federal, state and local laws, regulations, rules and other requirements applicable to the Development, Development Owner and the respective parties comprising the Development Team.

5. Semi-Annual Progress Reports

All Developments must submit a Semi-Annual Progress Report to IHEDA on or before June 30th and December 31st each year until the final application has been submitted for the Development. The Semi-Annual Progress Reports are filed online at: <https://ihedaonline.com/>. A late fee of \$10 per day may be assessed for late reports.

6. Changes in Ownership



If a change of ownership occurs, a detailed description of the change must be provided in writing to IHCD. Changes in ownership must be reported via IHCD's "Property Ownership Change Form."

IHCD must approve any change in ownership or transfer request if made prior to the issuance of IRS Form 8609 for any Development that has received an allocation of Rental Housing Financing and/or Bonds.

IHCD must be notified of any change in ownership or transfer if made after the issuance of IRS Form 8609. IHCD must approve the change of ownership if the development has other IHCD financing. Failure to notify the Authority of changes in ownership for RHTCs and/or Bonds after the issuance of IRS Form 8609 could result in the allocation being rescinded and/or possible non-compliance issues.

See Schedule B for IHCD's Ownership Change procedures.

7. Development, Financing, and/or Applicant/Owner Modifications

Modifications to the Development that affect Threshold Requirements, scoring items, and/or IHCD financing terms in any way without prior written approval from the Authority may result in a reduction and/or rescission of the Authority funding (including private activity tax-exempt bonds). Modification requests are subject to a \$1,000 modification fee.

To request a modification, the following documentation must be submitted to IHCD for consideration:

- a. Formal written request from the Owner/Developer detailing the specific request and the reason the request is needed.
- b. The impact to the project in the event the modification request is not approved.
- c. Modification fee of \$1,000.
- d. Updated pages from Form A (Initial application) that reflect changes to the original application based on the current closing projections and/or proposed modification.
- e. At its discretion, IHCD may request additional supporting documentation.

Failure to maintain the project's final score from initial application to final application may result in penalties, including but not limited to a fine and/or suspension. The penalty will apply to the applicant, owner, developer, or other applicable development team members at the discretion of IHCD.

8. Applying for RHTCs with other Rental Housing Financing

In the event that an Application is competitive for RHTCs but either (1) the Application fails the threshold review for other funding; or (2) other funds are not available, IHCD will allow the Applicant to identify other means of filling the Development's financing gap.



9. Carryover Allocations

If the Owner intends to request a Carryover allocation of its 2018 or 2019 RHTCs, all necessary requirements for the Carryover election must be met and all required documentation must be submitted to the Authority no later than the first Monday in July; provided that if the Owner receives a reservation of RHTCs after June 1st, the Carryover election must be met and all required documentation must be submitted to the Authority no later than 60 days after the date of the reservation (but in no event later than the first Monday in November). No later than the first Monday in June following the year of the executed Carryover, the Owner must certify to the Authority that at least 10% of the Owner's reasonably expected basis in the project has been incurred on or before such date. See Carryover Agreement, Form D and Ten Percent (10%) Letter, Form M.

The Owner may irrevocably elect to enter into a lock-in agreement, pursuant to Section 42(b)(2)(A)(ii) of the Code, to fix the applicable credit percentage for the Development as the percentage is prescribed by the Secretary of the Treasury for a month prior to the month the Development is placed-in-service. A lock-in Agreement (Form F) must be submitted to the Authority on or before the 25th day of the month in which it is desired to lock in the rate for that month. The Authority will execute complete, accurate and correct Lock-in Agreements no later than the 5th day of the following month. In the event that the Owner submits a Lock-In Agreement on or before 25th day of the month which is incorrect, incomplete or inaccurate and which requires a modification, supplementation or resubmission of the Lock-In Agreement, the Authority may, in its sole and absolute discretion, elect to not enter into such Lock-In Agreement prior to the 5th day of the following month. In such case, however, the Authority will notify the Owner of such decision and the Owner will be permitted to withdraw such Lock-In Agreement.

The Authority requires the use of the Carryover and 10% Cost Certification forms provided with this QAP. Any deviations from or changes to the language must have prior approval from the Authority.

10. Issuance of IRS Form 8609 (“8609”)

IRS Form 8609(s) will only be issued once. However, in exceptional circumstances the Authority may, in its sole discretion and upon receipt of additional fees (as determined by the Authority) elect to review additional circumstances that may allow for the issuance of amended IRS Form 8609(s). All documents requested shall be submitted to the Authority in a timely manner as defined by the Authority.

The entire Final Application and Final Cost Certification package to request IRS Form 8609 in a form acceptable to the Authority must be submitted as soon as possible after the Development has been placed in service but no later than six months following the issuance of the Certificate of Occupancy/Substantial Completion for the Development and/or the placed in service date of



the last building in the Development. The Applicant may request an extension of this deadline, which will be reviewed by IHCDCA on a case-by-case basis. If this deadline is missed, one warning will be given for the Development. After the first warning, a fee of \$10 per day may be assessed for any additional missed deadlines associated with the Development during the IRS Form 8609 process.

Within one year prior to a request for and issuance of IRS Form 8609 the property management staff assigned to the Development and the owner of the Development must receive an IHCDCA Rental Housing Tax Credit Compliance Seminar completion certificate (see item h below for more information). The Management Agreement between the owner and the management company must be for a minimum of two (2) years effective at the “placed in service date”, as evidenced in the management agreement. Upon notification to the Authority, a substitution of management agent prior to the expiration of the two (2) year period is permitted if the management agent is guilty of material nonperformance of its duties. However, if replacement of the management agent is warranted and the Development received points for Minority Owner Business Enterprise (MBE) or Woman Owned Business Enterprise (WBE), the new management must also satisfy these criteria.

The owner must submit at a minimum the following documentation to the Authority within six (6) months from the time the Development is placed in service:

- a. Pre-8609 Physical Inspection Request Form – this form should be submitted as soon as possible after the entire Development is placed in service, even if the other documents for the 8609 package are not available. IHCDCA will then conduct a physical inspection of the property. All items from the physical inspection must be addressed before IHCDCA will issue IRS Form 8609; See Form H.
- b. Completed Final Rental Housing Finance Application and Cost Certification(Original and Electronic PDF Format);
- c. Certificate(s) of Occupancy for each building in the Development, or Certificate(s) of Substantial Completion for all rehabilitation Developments (Electronic PDF Format);
- d. All permanent (closing) financing documents (Electronic PDF Format of the recorded copy
- e. All construction financing documents (Electronic PDF Format);
- f. Current partnership agreement or limited liability company operating agreement, including all exhibits and schedules executed by the limited and general partners or managing member (Electronic PDF Format);
- g. Original executed recorded Declaration of Extended Low Income Housing Commitment, executed by owner, lender and the Authority. Before this document is recorded, IHCDCA



must review and execute it. This process may be done before the Final Application is submitted and the IRS Form 8609 review process has begun;

- h. IHCD Rental Housing Tax Credit Compliance Seminar Certificate. Prior to request for and issuance of IRS Form 8609, an agent of the property management staff must have attended an IHCD sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled "Housing Credit 300: Compliance Basics for Indiana Properties" within the last year. Additionally, an Owner who has not been issued an 8609 from IHCD within the past three (3) years must have attended an IHCD sponsored tax credit compliance workshop or completed the online Housing Credit College course entitled "Housing Credit 300: Compliance Basics for Indiana Properties" within the last year. Executed Development Agreement (Electronic PDF Format);
- i. Copy of deed showing partnership as owner (Electronic PDF Format);
- j. Executed Management Agreement (Electronic PDF Format);
- k. Photographs of the completed Development (exterior and interior);
- l. Documentation of MBE/WBE participants. If participants have changed since initial application, copy of the signed contract/agreement and a copy of the entity's certification from the Indiana Department of Administration must be submitted (Electronic PDF Format);
- m. Owner affidavit of services being provided to the Development along with the term for services provided and cost to the tenants; and
- n. Any other documents that the Authority may require in determining the final amount of RHTCs to be allocated to the Development and the Development's conformance with the requirements of Section 42 (Electronic PDF Format).

The Authority anticipates mailing out IRS Form 8609(s) up to ninety (90) working days after the requested materials have been submitted to the Authority. Incomplete or insufficient documentation will result in a delay of the 8609 issuance.

11. Dissemination of Information

Any Applications of Developments which received an allocation of Rental Housing Tax Credits or Private Activity Tax Exempt Bonds are available for dissemination and publication to the general public.

To request a copy of a funded application for Rental Housing Tax Credits or Private Activity Tax Exempt Bonds, you must:



- a. Submit your request in writing to IHCD's Legal Department.
- b. The name(s) and location(s) (City) of each Development and the year the Development was funded.

No request will be processed without the above information. IHCD will provide weekly updates on the status of your request and any associated costs.

12. Exchange of Credits

An Applicant may return previously allocated credits to the Authority in exchange for an allocation of current year credits, in an amount not to exceed the amount of the returned credits. The Applicant must establish that despite its timely and diligent efforts, it is in jeopardy of failing to meet the placed-in-service deadline for the building with respect to which the prior credits were allocated as a result of either:

- a. Litigation brought by parties other than the Applicant and that the Applicant could not have anticipated;
- b. Catastrophic events that the Applicant could not reasonably have anticipated or controlled.

To qualify for the exchange of credits, the Applicant must provide supporting documentation with evidence of:

- 1) Due diligence performed by the Applicant in attempting to meet the placed-in-service deadline;
- 2) The specific circumstances causing the delay that jeopardizes the Applicant's compliance with the placed-in-service deadline;
- 3) The attempted remedial measures taken by the Applicant in order to mitigate the delay;
- 4) Any other information that may be requested by the Authority.

No more than one (1) exchange of credits may be approved with respect to a given Development. To request an exchange of credits an Applicant must submit to the Authority, no later than November 1st of the year in which the Development is required to be placed in service (based on the original allocation), a letter setting forth the reason justifying the exchange and including the following:

- a) An Applicant Certification for Re-application;
- b) The application fee set forth in Section H.2(a);



- c) Payment of a nonrefundable reservation fee of 4.0% of the annual amount of Rental Housing Tax Credits for the Development;
- d) Supporting documentation of the Development's continued eligibility under the requirements of the QAP as in effect at the time of the original allocation; and
- e) Supporting documentation of the development's continued financial feasibility.

Developments may apply for additional credits if necessary for the financial feasibility of the Development. Additional credits will be allocated based on the availability of credits after October 1st. Developments requesting additional credits must submit their exchange of credits application prior to September 1st. The availability of credits will be determined after all tax credit applications on the IHCDCA waiting list have either been reserved or denied credits.

In order to complete the exchange, the allocation must be returned under Section 42 Treasury Regulation 1.42-14 and a new carryover allocation must be completed for the allocation.

13. Additional IHCDCA Resources after a Credit Allocation

Developments that request additional IHCDCA resources after a tax credit allocation is made will be subject to sanctions if the funding request is approved. Possible sanctions include, but are not limited to:

- Up to two (2) year suspension of the applicant, owner, developer, or other applicable development team members at the discretion of IHCDCA.
- A fine to the applicant, owner, developer, or other applicable development team members at the discretion of IHCDCA.

This does not apply to developments applying for short term construction or equity bridge loans.



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